

COMMISSIONER OF
INTERNAL REVENUE

ANNUAL REPORT 1959

FOR THE FISCAL YEAR
ENDED JUNE 30, 1959
INTERNAL REVENUE SERVICE
UNITED STATES
TREASURY DEPARTMENT

Summary and Transmittal

TREASURY DEPARTMENT,
OFFICE OF THE COMMISSIONER OF INTERNAL REVENUE,
Washington, D.C., October 26, 1959.

DEAR MR. SECRETARY:

This has been a year when the Internal Revenue Service has not only maintained high standards of operating effectiveness, but has taken important steps toward building an even greater organization.

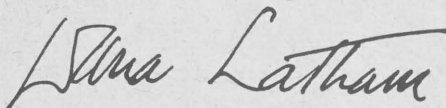
Already accomplished are reorganizations of our collection and audit activities so as to obtain more efficiency and better service to taxpayers.

The alcohol and tobacco tax collection systems were modernized by substituting returns for the familiar stamps which had been used for these purposes ever since 1868.

In one of the most significant actions taken in many years, the Revenue Service also initiated intensive studies of the adaptability of large-scale electronic data-processing systems to Revenue work. By the end of the year, we were approaching a draft of specifications for an EDP system and were making detailed analyses of Revenue Service operations to determine how they would be affected by installation of such a system. While it may take years before this project is completed, it offers great hope for enabling the Revenue Service to cope with the ever-growing mountain of paperwork necessary to modern tax administration.

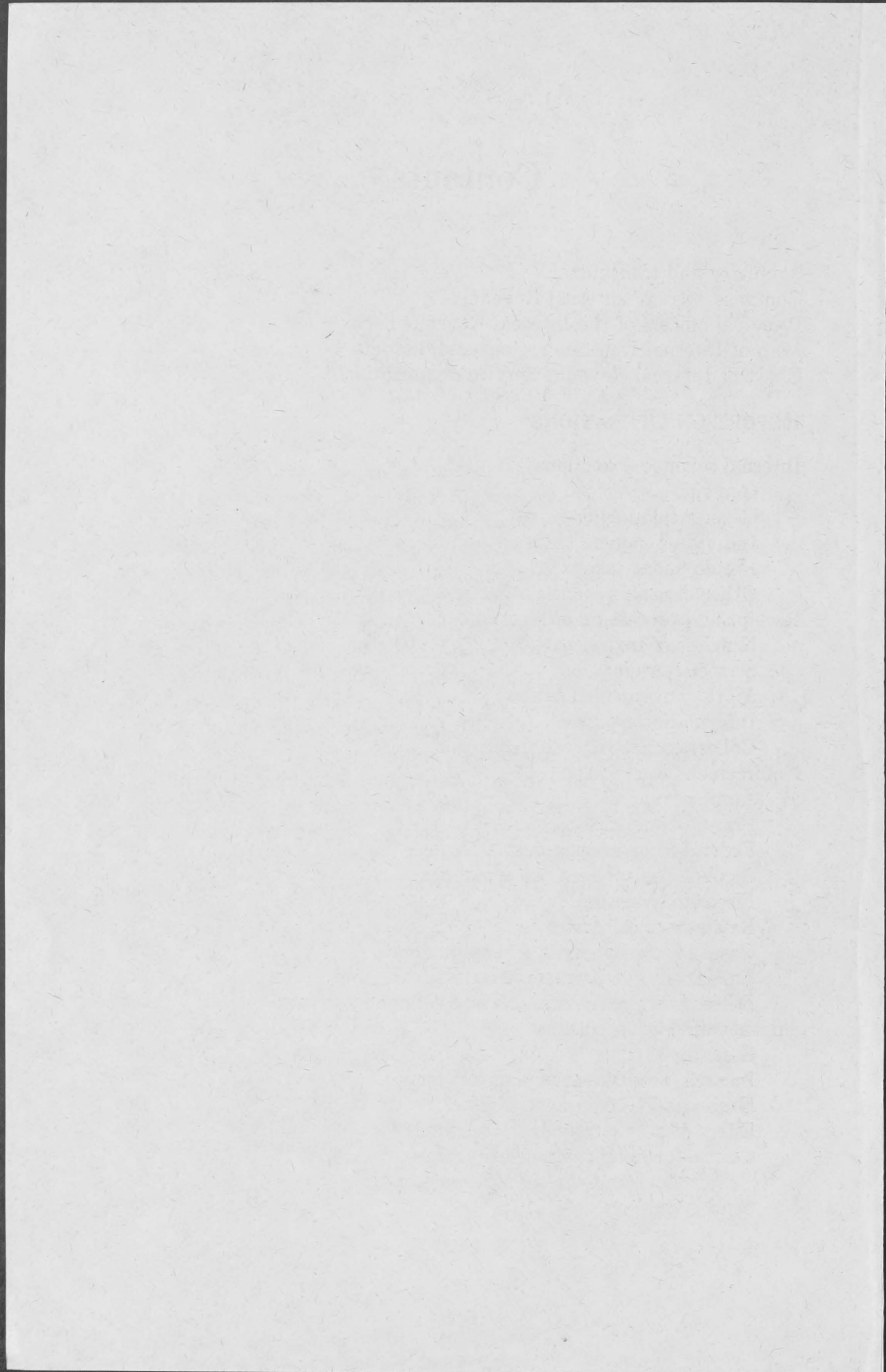
The EDP plan, in turn, is a phase of long-range fiscal planning which was intensified last year. Because of the long time required for recruiting specialists and for training them, as well as the time necessary for mechanization and other systems improvements, it is impossible to do a good job of annual budgeting without reference to specific and carefully thought-out long-range objectives.

The annual report which is attached spells out, in facts and figures, the accomplishments of the 1959 fiscal year in each of the major activities of the Revenue Service.



DANA LATHAM,
*Commissioner
of Internal Revenue.*

Hon. ROBERT B. ANDERSON,
Secretary of the Treasury.



Contents

	<i>Page</i>
Summary and transmittal.....	III
Commissioners of Internal Revenue.....	IX
Principal officers of the Internal Revenue Service.....	IX
Map of Internal Revenue regions and districts.....	XIII
Chart of Internal Revenue Service organization.....	XIV

REPORT ON OPERATIONS

Internal revenue collections.....	3
General.....	3
Corporation income taxes.....	4
Individual income taxes.....	4
Employment taxes.....	4
Other internal revenue collections.....	4
Receipt and processing of returns.....	7
Number of tax returns.....	7
Service centers.....	9
Mathematical verification.....	10
Information returns.....	10
Collection activity reorganization.....	11
Enforcement work.....	12
Audit of returns.....	12
Fraud investigations.....	13
Federal-State cooperation.....	15
Alcohol and tobacco tax program.....	15
Firearms program.....	18
Rewards to informers.....	19
Cases involving criminal prosecution.....	19
Collection of delinquent accounts.....	22
Delinquency investigations and delinquent returns.....	24
Appeals and civil litigation.....	25
General.....	25
Income, profits, estate, and gift taxes.....	25
Excise and employment taxes.....	28
Effect of new settlement procedure.....	28
Claims for relief from excess profits tax.....	28
Compromise and closing agreement cases.....	29
Civil litigation.....	29

	<i>Page</i>
Changes in tax liability.....	35
Additional tax.....	35
Overassessments and overpayments.....	36
Offers in compromise.....	40
Supervision of the alcohol and tobacco industries.....	43
General.....	43
Authorization of operations.....	43
On-premises supervision.....	44
Inspection of establishments.....	44
Chemical analyses and research.....	47
Technical services.....	48
Regulations program.....	48
Tax return forms program.....	50
Tax rulings.....	51
Determination letters.....	51
Technical publication program.....	52
Closing agreement cases.....	54
Civil advisory legal services.....	55
Aids for taxpayers.....	57
Direct taxpayer assistance.....	57
Taxpayer publications.....	58
Information program.....	60
International activities.....	61
International operations.....	61
International tax conventions.....	62
Legislative developments.....	63
Legislative preparations.....	63
Legislation enacted.....	63
Internal controls.....	65
Internal audit.....	65
Internal security.....	65
Management activities.....	67
Personnel.....	67
Training.....	70
Operating facilities.....	72
Fiscal management.....	75
Long-range planning.....	77
Mechanization.....	77
Current research program.....	78
Advisory group.....	79
Coordinated evaluation program.....	79
Statistical reporting.....	79
Enrollment of practitioners.....	82

STATISTICAL TABLES

Internal Revenue Collections

<i>Table</i>	<i>Page</i>
1. Internal revenue collections by sources and by internal revenue regions, districts, States, and Territories.....	88
2. Internal revenue collections by sources and by quarters..	104
3. Internal revenue collections by sources.....	106
4. Internal revenue collections by principal sources, fiscal years 1940-1959.....	109
5. Number of returns filed by internal revenue regions, districts, States, and Territories.....	112
6. Internal revenue tax collected in Puerto Rico on manufactured products coming into the United States, by objects of taxation.....	114

Alcohol and Tobacco Taxes

7. Establishments qualified to engage in the production, distribution, storage, or use of alcohol and alcoholic liquors.....	114
8. Establishments qualified to engage in the production or distribution of tobacco products.....	115
9. Permits relating to industrial alcohol under chapter 51, Internal Revenue Code, 1954.....	115
10. Permits for operations relating to alcoholic beverages under the Federal Alcohol Administration Act.....	116
11. Permits relating to tobacco under chapter 52, Internal Revenue Code, 1954.....	116
12. Label activity under Federal Alcohol Administration Act.	117

Stamp Taxes

13. Number of occupational tax stamps issued, covering fiscal year 1959, or portion thereof, by class of tax and by internal revenue regions, districts, States, and Territories.....	118
---	-----

Cases Receiving Appellate Consideration
or in Litigation

14. Appellate Division processing of protested income, profits, estate, and gift tax cases prior to issuance of statutory notice of deficiency (pre-90-day cases).....	126
--	-----

<i>Table</i>	<i>Page</i>
15. Appellate Division processing of protested income, profits, estate, and gift tax cases in which statutory notices of deficiency were outstanding (90-day cases).....	127
16. Appellate Division processing of income, profits, estate, and gift tax cases petitioned to the Tax Court (docketed cases).....	128
17. Receipt and disposal of income, profits, estate, and gift tax cases in the Tax Court.....	128
18. Results obtained in income, profits, estate, and gift tax cases disposed of in the Tax Court.....	129
19. Receipt and disposal of Tax Court cases in courts of appeals or in Supreme Court.....	129
20. Receipt and disposal of suits filed by taxpayers in Federal courts.....	130
21. Civil tax cases decided by courts of appeals and Supreme Court.....	130
22. Receipt and disposal of claims pending and suits filed by the United States in Federal and State courts.....	131
23. Receipt and disposal by the Office of the Chief Counsel of collection, erroneous refund, subpoena, summons, and injunction cases.....	131
24. Receipt and disposal by the Office of the Chief Counsel of insolvency and debtor proceedings.....	131
25. Receipt and disposal by the Office of the Chief Counsel of lien cases and noncourt civil advisory cases.....	132
 Cost of Administration	
26. Obligations incurred by the Internal Revenue Service....	132
27. Cost of printing and binding.....	134
INDEX.....	135

COMMISSIONERS OF INTERNAL REVENUE

Name ¹	State	Service	
		From—	To—
George S. Boutwell	Massachusetts	July 17, 1862	Mar. 4, 1863
Joseph J. Lewis	Pennsylvania	Mar. 18, 1863	June 30, 1865
William Orton	New York	July 1, 1865	Oct. 31, 1865
Edward A. Rollins	New Hampshire	Nov. 1, 1865	Mar. 10, 1869
Columbus Delano	Ohio	Mar. 11, 1869	Jan. 2, 1871
Alfred Pleasanton	New York	Jan. 3, 1871	Aug. 8, 1871
John W. Douglass	Pennsylvania	Aug. 9, 1871	May 14, 1875
Daniel D. Pratt	Indiana	May 15, 1875	July 31, 1876
Green B. Raum	Illinois	Aug. 2, 1876	Apr. 30, 1883
Walter Evans	Kentucky	May 21, 1883	Mar. 19, 1885
Joseph S. Miller	West Virginia	Mar. 20, 1885	Mar. 20, 1889
John W. Mason	do	Mar. 21, 1889	Apr. 18, 1893
Joseph S. Miller	do	Apr. 19, 1893	Nov. 26, 1896
W. St. John Forman	Illinois	Nov. 27, 1896	Dec. 31, 1897
Nathan B. Scott	West Virginia	Jan. 1, 1898	Feb. 28, 1899
George W. Wilson	Ohio	Mar. 1, 1899	Nov. 27, 1900
John W. Yerkes	Kentucky	Dec. 20, 1900	Apr. 30, 1907
John G. Capers	South Carolina	June 5, 1907	Aug. 31, 1909
Royal E. Cabell	Virginia	Sept. 1, 1909	Apr. 27, 1913
William H. Osborn	North Carolina	Apr. 28, 1913	Sept. 25, 1917
Daniel C. Roper	South Carolina	Sept. 26, 1917	Mar. 31, 1920
William M. Williams	Alabama	Apr. 1, 1920	Apr. 11, 1921
David H. Blair	North Carolina	May 27, 1921	May 31, 1929
Robert H. Lucas	Kentucky	June 1, 1929	Aug. 15, 1930
David Burnet	Ohio	Aug. 20, 1930	May 15, 1933
Guy T. Helvering	Kansas	June 6, 1933	Oct. 8, 1944
Robert E. Hannegan	Missouri	Oct. 9, 1943	Jan. 22, 1944
Joseph D. Nunan, Jr.	New York	Mar. 1, 1944	June 30, 1947
George J. Schoeneman	Rhode Island	July 1, 1947	July 31, 1951
John B. Dunlap	Texas	Aug. 1, 1951	Nov. 18, 1952
T. Coleman Andrews	Virginia	Feb. 4, 1953	Oct. 31, 1955
Russell C. Harrington	Rhode Island	Dec. 5, 1955	Sept. 30, 1958
Dana Latham	California	Nov. 5, 1958	-----

Note.—Office of Commissioner of Internal Revenue created by act of Congress, July 1, 1862.

¹ In addition, the following were Acting Commissioners during periods of time when there was no Commissioner holding the office: John W. Douglass, of Pennsylvania, from Nov. 1, 1870, to Jan. 2, 1871; Henry C. Rogers, of Pennsylvania, from May 1 to May 10, 1883; John J. Knox, of Minnesota, from May 11 to May 20, 1883; Robert Williams, Jr., of Ohio, from Nov. 28 to Dec. 19, 1900; Millard F. West, of Kentucky, from Apr. 12 to May 26, 1921; H. F. Mires, of Washington, from Aug. 15 to Aug. 20, 1930; Pressly R. Baldridge, of Iowa, from May 15 to June 5, 1933; Harold N. Graves, of Illinois, from Jan. 23 to Feb. 29, 1944; John S. Graham, of North Carolina, from Nov. 19, 1952, to Jan. 19, 1953; Justin F. Winkle, of New York, from Jan. 20 to Feb. 3, 1953; and O. Gordon Delk, of Virginia, from Nov. 1 to Dec. 5, 1955, and from Oct. 1 to Nov. 4, 1958.

PRINCIPAL OFFICERS OF THE INTERNAL REVENUE SERVICE AS OF JUNE 30, 1959

NATIONAL OFFICERS

Office of the Commissioner

Commissioner	Dana Latham
Deputy Commissioner	Charles I. Fox
Administrative Assistant to the Commissioner	Wilber A. Gallahan
Division Directors:	
Operating Facilities	Bruce McNair
Personnel	Amos N. Latham, Jr.
Fiscal Management Officer	Gray W. Hume, Jr.
Technical Adviser to the Commissioner	Leo Speer
Director, Public Information Division	Lawrence George

Inspection

Assistant Commissioner	Vernon D. Acree, Jr. ¹
Division Directors:	
Internal Audit	Francis I. Geibel
Internal Security	Vernon D. Acree, Jr.

¹ Acting.

Principal Officers

Operations

Assistant Commissioner	William H. Loeb
Executive Assistant to Assistant Commissioner	Arthur H. Klotz
Division Directors:	
Alcohol and Tobacco Tax	Dwight E. Avis
Appellate	H. J. Donnelly, Jr.
Audit	J. B. Sefert
Collection	Robert L. Jack
Intelligence	H. Alan Long
International Operations	Donald R. Moysey

Planning and Research

Assistant Commissioner	Bertrand M. Harding
Division Directors:	
Plans and Policy	James R. Turner ¹
Research	Richard W. Nelson
Systems Development	William H. Smith
Statistics	Ernest J. Engquist, Jr.

Technical

Assistant Commissioner	Harold T. Swartz
Division Directors:	
International Tax Relations	Eldon P. King
Special Technical Services	Ned W. Arick
Tax Rulings	John W. S. Littleton
Technical Planning	Maurice Lewis

Office of the Chief Counsel

Chief Counsel	Arch M. Cantrall
Assistant Chief Counsels:	
Administration	Howard A. Dawson, Jr.
Claims	Raymond F. Brown
Enforcement	E. Riley Campbell
Litigation	Rudy P. Hertzog
Technical	Herman T. Reiling

Office of the Director of Practice

Director of Practice	Joseph L. Carrigg
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REGIONAL AND DISTRICT OFFICERS

Atlanta Region

Regional Commissioner	William J. Bookholt
Assistant Regional Commissioners:	
Administration	Burton M. Graham
Alcohol and Tobacco Tax	Louis E. Howell
Appellate	Norman C. Bailey
District Directors:	
Atlanta, Ga.	Aubrey C. Ross
Birmingham, Ala.	George D. Patterson, Jr.
Columbia, S.C.	Francis G. Duehay
Greensboro, N.C.	John E. Wall
Regional Counsel	Henry C. Stockell, Jr.
Regional Inspector	Walter F. Connell

Boston Region

Regional Commissioner	Donald W. Bacon
Assistant Regional Commissioners:	
Administration	Maurice J. Taggart
Alcohol and Tobacco Tax	Harold L. Henneberry
Appellate	Howard D. Taylor
District Directors:	
Augusta, Maine	Whitney L. Wheeler
Boston, Mass.	Frank J. Cavanagh
Burlington, Vt.	John W. Gaynor
Regional Counsel	John W. Edwards
Regional Inspector	Emanuel M. Schuster
Director, Northeast Service Center, Lawrence, Mass.	William H. Weaver

Chicago Region

Regional Commissioner	Norman B. Eshleman
Assistant Regional Commissioners:	
Administration	Evan S. Lloyd
Alcohol and Tobacco Tax	William A. Collawn
Appellate	Wallace T. Morris
District Directors:	
Chicago, Ill.	Harold R. All
Detroit, Mich.	Raphael I. Nixon
Regional Counsel	Emil J. Nelson
Regional Inspector	Hezzie J. White
	David F. Long
	Henry A. Feltz

¹ Acting.

Cincinnati Region

Regional Commissioner	Ernest H. Vaughn
Assistant Regional Commissioners:	
Administration	F. Dean McCrory
Alcohol and Tobacco Tax	Henry R. Peterson
Appellate	G. Waldron Snyder
District Directors:	
Cincinnati, Ohio	Russell A. Welch
Cleveland, Ohio	Melvin J. Burton
Columbus, Ohio	Nathaniel Looker
Indianapolis, Ind.	Sterling M. Dietrich
Regional Counsel	
Regional Inspector	Gordon M. Anderson
Director, Midwest Service Center, Kansas City, Mo.	Arnold S. Dreyer

Dallas Region

Regional Commissioner	B. Frank White
Assistant Regional Commissioners:	
Administration	Roy W. Hann
Alcohol and Tobacco Tax	Joseph F. Black
Appellate	Tom F. Reese
District Directors:	
Austin, Tex.	Robert L. Phinney
Albuquerque, N. Mex.	Ernest W. Bacon
Dallas, Tex.	Ellis Campbell, Jr.
Regional Counsel	
Regional Inspector	David O. Lowry, Jr.

New York City Region

Regional Commissioner	Clarence I. Fox, Jr.
Assistant Regional Commissioners:	
Administration	Norman D. Nowak
Alcohol and Tobacco Tax	F. Virgil Welsh
Appellate	Ralph M. Horne
District Directors:	
Albany, N.Y.	James A. O'Hara
Brooklyn, N.Y.	Thomas E. Scanlon
Buffalo, N.Y.	Eugene C. Coyle, Jr.
Regional Counsel	
Regional Inspector	Frank S. Turbett, Jr.

Omaha Region

Regional Commissioner	Horner O. Croasmun
Assistant Regional Commissioners:	
Administration	Orland V. Steele
Alcohol and Tobacco Tax	William K. Lilley
Appellate	Vance N. Bates
District Directors:	
Aberdeen, S. Dak.	William C. Welsh
Cheyenne, Wyo.	Harry F. Scribner
Denver, Colo.	George H. Allan
Des Moines, Iowa	V. Lee Phillips
Fargo, N. Dak.	Byron J. Rockwood
Regional Counsel	
Regional Inspector	Winslow B. Randall

Philadelphia Region

Regional Commissioner	Alva M. Meyers
Assistant Regional Commissioners:	
Administration	Robert D. McDowell
Alcohol and Tobacco Tax	Louis DeCarlo
Appellate	William E. Steynen
District Directors:	
Baltimore, Md.	Irving Machiz
Camden, N.J.	Chris L. Gross
Newark, N.J.	Joseph F. J. Mayer
Philadelphia, Pa.	Edgar A. McGinnes
Regional Counsel	
Regional Inspector	Cecil H. Haas
	William A. Costello

Audit	Michael A. DeGuire
Collection	William J. Grabo
Intelligence	Thomas P. McGovern

Louisville, Ky.	William M. Gray
Parkersburg, W. Va.	Philipp L. Charles
Richmond, Va.	Clifford W. Glotzbach
Toledo, Ohio	Gilbert C. Hooks
	Clarence E. Price
	Gordon M. Anderson
	Arnold S. Dreyer

Audit	Dallas A. Sims
Collection	Carl E. Webb
Intelligence	William E. Beloate, Jr.

Little Rock, Ark.	Curtis R. Mathis
New Orleans, La.	Chester A. Usry
Oklahoma City, Okla.	Earl R. Wiseman
	J. Marvin Kelley
	David O. Lowry, Jr.

Audit	Vacant
Collection	Alfred N. Kay
Intelligence	Francis J. Kennedy

Lower Manhattan	Raphael Meisels
Upper Manhattan	Kenneth W. Moe
Syracuse, N.Y.	Raymond H. Reichel
	William V. Crosswhite
	Frank S. Turbett, Jr.

Audit	Robert J. McCauley
Collection	Roger R. Kaiser
Intelligence	Harold B. Holt

Kansas City, Mo.	Edwin O. Bookwalter
Omaha, Nebr.	James L. McCrory
St. Louis, Mo.	Ernest M. Flinn
St. Paul, Minn.	George O. Lethert
Wichita, Kans.	Gustave F. Koehler
	Douglas L. Barnes
	Winslow B. Randall

Audit	Joseph M. Sholtz
Collection	Edward J. Manning
Intelligence	Wesley E. Craig

Pittsburgh, Pa.	John H. Bingle
Scranton, Pa.	Richard P. Brownell
Wilmington, Del.	Horace L. Brown

San Francisco Region

Regional Commissioner	Harold Hawkins
Assistant Regional Commissioners:	
Administration	Homer C. Gant
Alcohol and Tobacco Tax	Henry G. Morthorst
Appellate	Joseph B. Harlacher
District Directors:	
Boise, Idaho	Calvin E. Wright
Helena, Mont.	Frank J. Healy
Honolulu, Hawaii	Cecil G. Marshall ¹
Los Angeles, Calif.	Robert A. Riddell
Phoenix, Ariz.	Wilson B. Wood
Regional Counsel	
Regional Inspector	Scott C. McCarl
Director, Western Service Center, Ogden, Utah	Frederick W. Bearman

¹ Acting.

INTERNAL REVENUE SERVICE

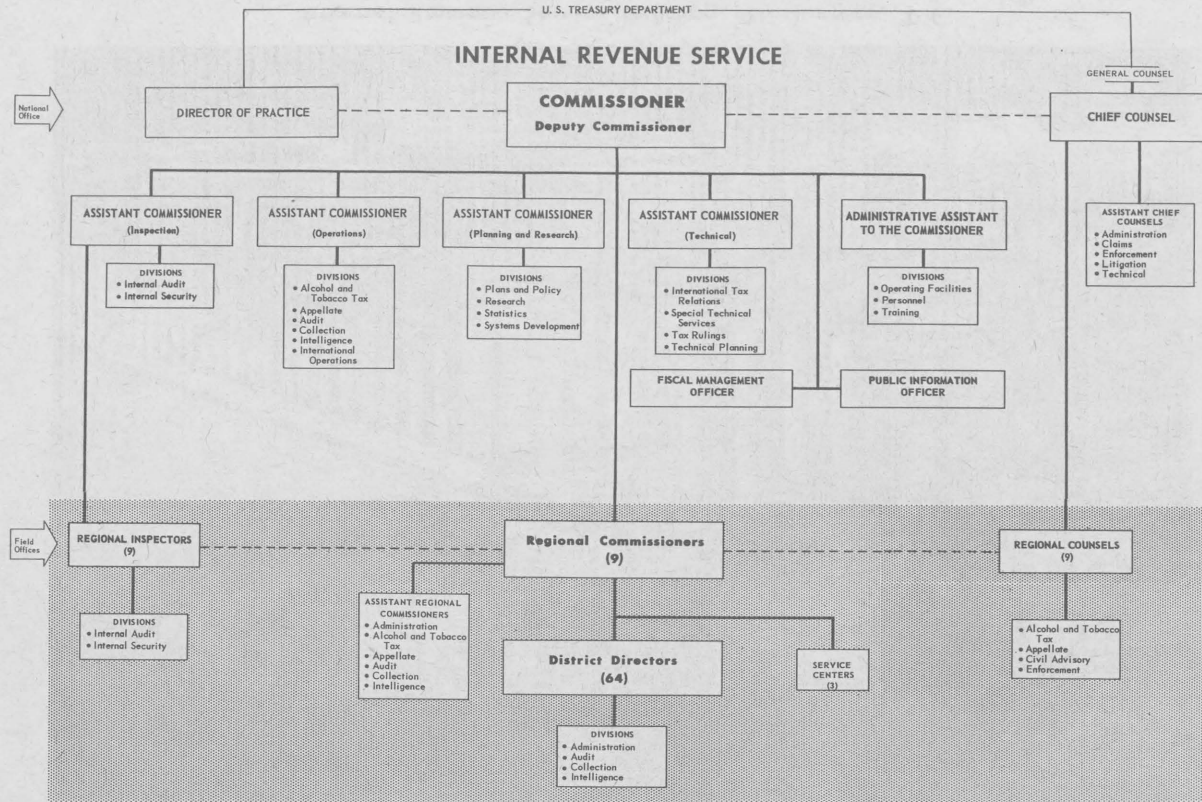
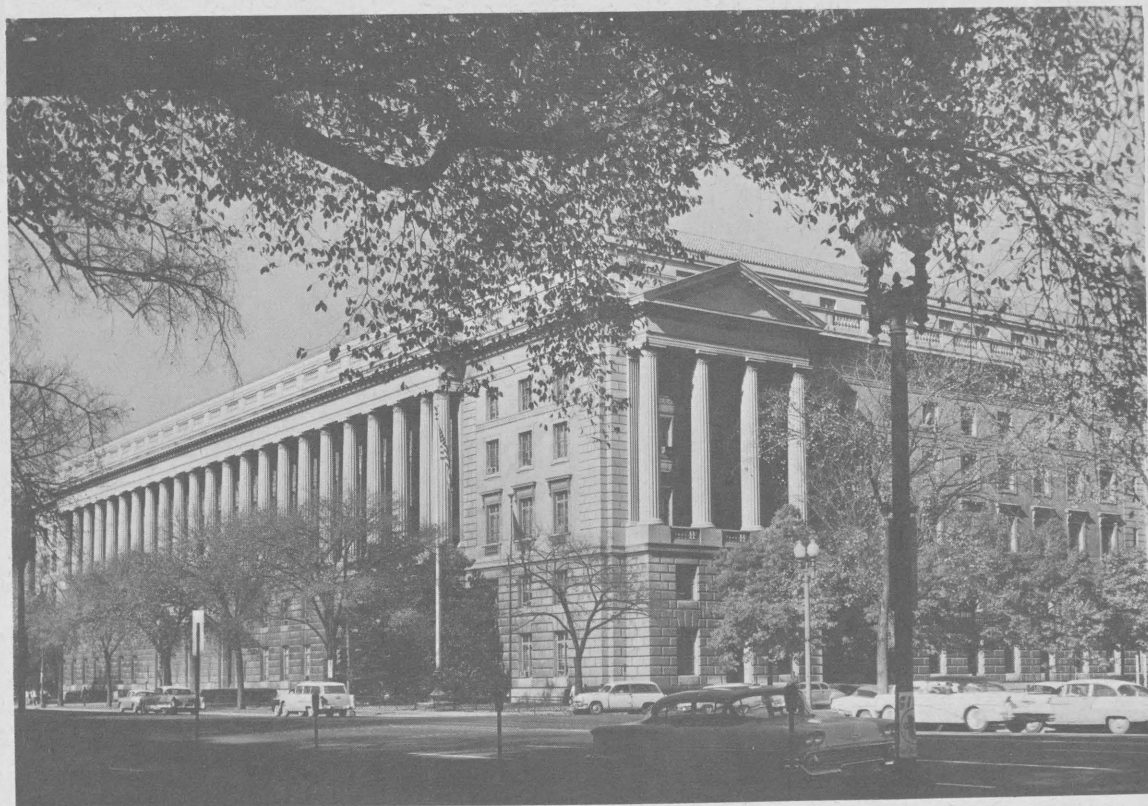
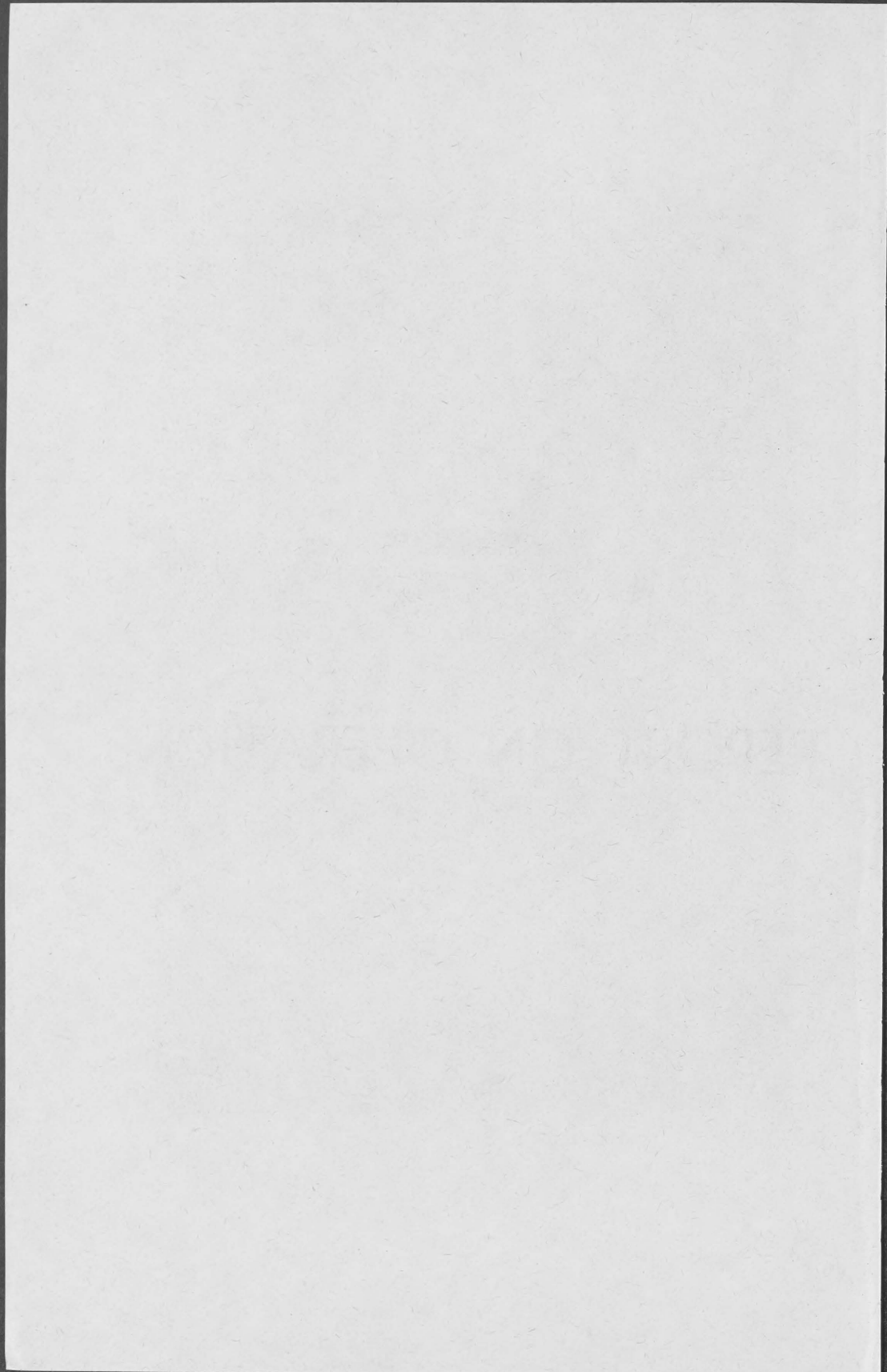


Chart of Internal Revenue Service Organization



Internal Revenue Service Building, Washington, D.C.





REPORT ON OPERATIONS

NOTES

All yearly data are on a fiscal year basis, unless otherwise specified. For example, data headed "1959" pertain to the fiscal year ended June 30, 1959, and "July 1" inventory items under this heading reflect inventories as of July 1, 1958.

In many tables and charts, figures have been rounded and therefore will not necessarily add to the printed totals which are based on unrounded figures.

INTERNAL REVENUE COLLECTIONS

General

Internal revenue collections amounted to \$79,797,973,000 in the fiscal year 1959. This represents a decrease of \$180,503,000, or 0.2 percent, under the \$79,978,476,000 collected in the previous fiscal year.

Collections of individual income taxes increased by \$2,166,185,000, or 5.6 percent, and employment tax collections increased by \$209,358,000, or 2.4 percent. However, these increases were not sufficient to offset a decrease of \$2,441,807,000, or 11.9 percent, in corporation income tax collections. Amounts collected from estate and gift taxes and from excise taxes showed only slight decreases from the preceding year.

A comparison of collections by major categories follows:

Internal revenue collections

[In thousands of dollars. For details, see table 3, p. 106]

Source	1959	1958
Grand total ¹	79,797,973	79,978,476
Income taxes, total	58,826,254	59,101,874
Corporation	18,091,509	20,533,316
Individual, total	40,734,744	38,568,559
Withheld by employer ²	29,001,375	27,040,911
Other ²	11,733,369	11,527,648
Employment taxes, total	8,853,744	8,644,386
Old-age and disability insurance ²	8,004,355	7,733,223
Unemployment insurance	324,020	335,880
Railroad retirement	525,369	575,282
Estate and gift taxes	1,352,982	1,410,925
Excise taxes, total	10,759,549	10,814,268
Alcohol taxes	3,002,096	2,946,461
Tobacco taxes	1,806,816	1,734,021
Other excise taxes	5,950,637	6,133,786
Taxes not otherwise classified ³	5,444	7,024

Note.—Calendar year figures by regions, districts, States, and Territories, for selected types of taxes, may be obtained from the Public Information Division, Internal Revenue Service, Washington 25, D.C.

¹ Collections are adjusted to exclude amounts transferred to the Government of Guam. For details, see table 1, p. 88, and footnote 5, p. 110.

² Estimated. Collections of individual income tax withheld are not reported separately from old-age and disability insurance taxes on wages and salaries. Similarly, collections of individual income tax not withheld are not reported separately from old-age and disability insurance taxes on self-employment income. The amount of old-age and disability insurance tax collections shown is based on estimates made by the Secretary of the Treasury pursuant to the provisions of sec. 201(a) of the Social Security Act, as amended, and includes all old-age and disability insurance taxes. The estimates shown for the 2 classes of individual income taxes were derived by subtracting the old-age and disability insurance tax estimates from the combined totals reported.

³ Includes amounts of unidentified and excess collections and profit from sale of acquired property.

The use of the depositary receipt method of paying taxes continued to expand during 1959, with depositary receipt purchases totaling \$31,946,440,000. This represents an increase of \$1,537,542,000, or 5.1 percent, over last year's purchases. The 1959 depositary receipt purchases accounted for 40 percent of total internal revenue receipts and 71 percent of the employment taxes collected. In the excise tax area, nearly 89 percent of the taxes shown on Form 720 returns were paid by depositary receipts.

Corporation Income Taxes

Corporation income taxes collected during 1959 totaled \$18,091,509,000, and accounted for about 23 percent of the total internal revenue collections. As compared with 1958, this represents a decrease of \$2,441,807,000, or 11.9 percent. The decrease resulted from the sharp decline in corporate profits in the first half of calendar year 1958.

Individual Income Taxes

Reflecting the rise in personal incomes, collections of individual income tax withheld showed a gain of \$1,960,464,000 and other individual income tax collections increased by \$205,721,000. Individual income taxes accounted for 51 percent of the total internal revenue receipts. Withheld taxes accounted for over 71 percent of all individual income taxes.

Employment Taxes

Employment taxes collected during 1959 totaled \$8,853,744,000, an increase of \$209,358,000, or 2.4 percent, over the preceding year. Old-age and disability insurance taxes increased by \$271,132,000, due mainly to the increase in the tax rate of one-fourth percent each on employers and employees and the increase in the maximum amount taxable from \$4,200 to \$4,800 effective January 1, 1959. Collections of unemployment insurance taxes and railroad retirement taxes showed slight decreases.

Other Internal Revenue Collections

Other internal revenue collections, including estate and gift taxes, alcohol and tobacco taxes, other excise taxes, and taxes not otherwise classified, amounted to \$12,117,975,000. This amount represents a decrease of \$114,241,000, or 0.9 percent, under similar collections last year. Excise taxes other than alcohol and tobacco taxes dropped by 3.1 percent. A new system for payment of all Federal liquor and tobacco excise taxes by means of returns is described on page 43.

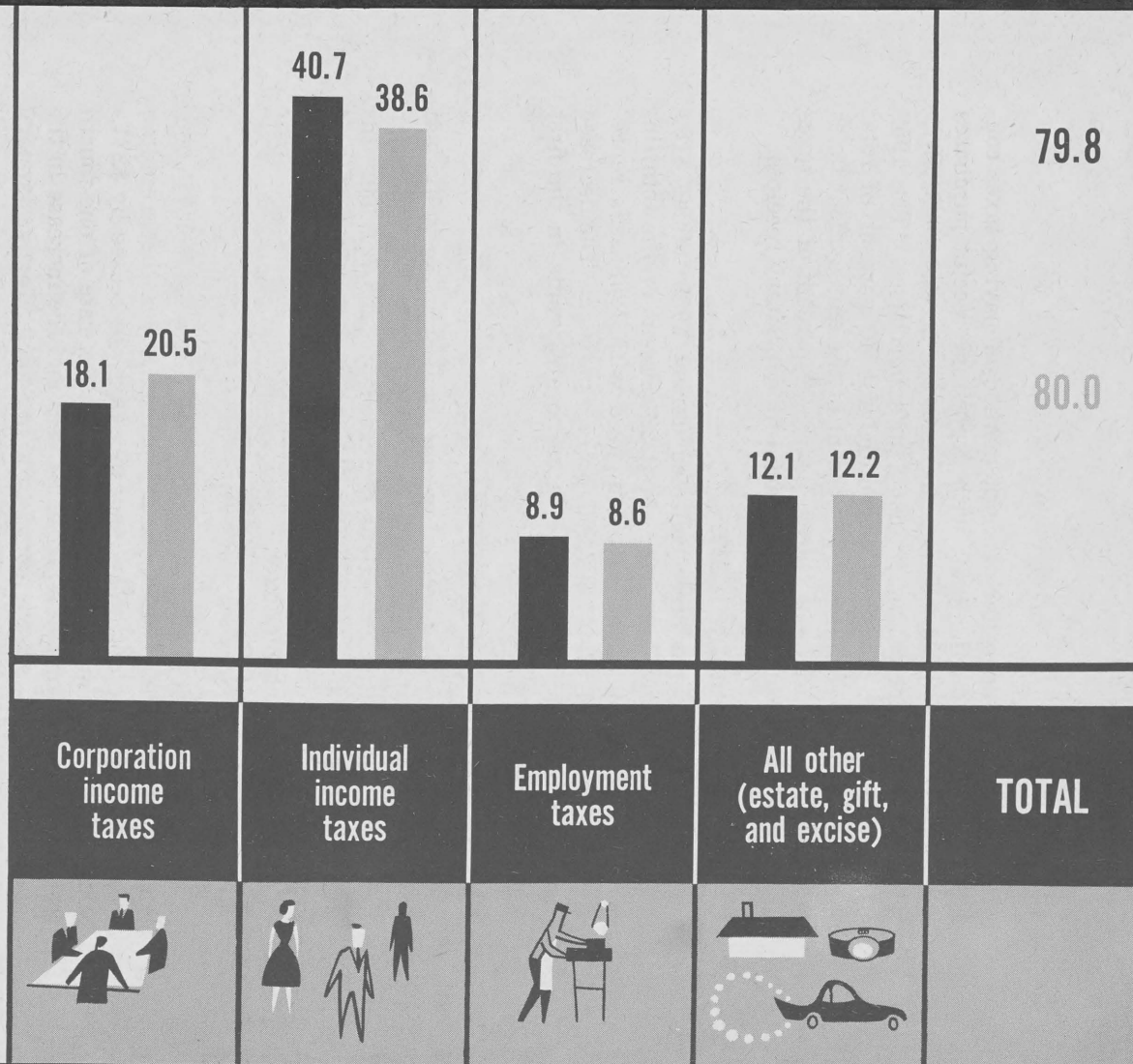
1959

*billions
of dollars*

1958



**INTERNAL REVENUE
COLLECTIONS**





Electronic computer used to process tax returns at Northeast Service Center, Lawrence, Mass.

RECEIPT AND PROCESSING OF RETURNS

Number of Tax Returns

In the 1959 fiscal year, 92,852,000 tax returns of all classes were received by the Internal Revenue Service. This was 679,000, or 0.7 percent less than the number received in the preceding year.

Most of the decrease occurred in individual income tax returns where the combined total of Forms 1040 and 1040A numbered 59,185,000 and showed a decline of 822,000, or 1.4 percent, from the previous year. This decrease was due largely to economic factors. While the number of Forms 1040 declined by 3,859,000, there was an increase of 3,037,000 in the number of Forms 1040A. The increase in number of Forms 1040A received was due partly to the efforts of the Service to increase the use of this simplified card return form and partly to a revision in its coverage to include salary and wage incomes up to \$10,000. In previous years, the Form 1040A could only be used by persons with salary and wage incomes under \$5,000.

Individual declarations of estimated tax numbered 6,102,000, which represented a gain of 107,000 from the preceding year.

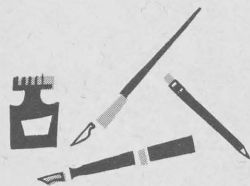
Employment tax returns filed in 1959 totaled almost 20,000,000, about the same number as in the preceding year.

Major changes among other classes of tax returns were an increase of 70,000 in occupational tax returns and a decline of 144,000 in all other excise taxes.

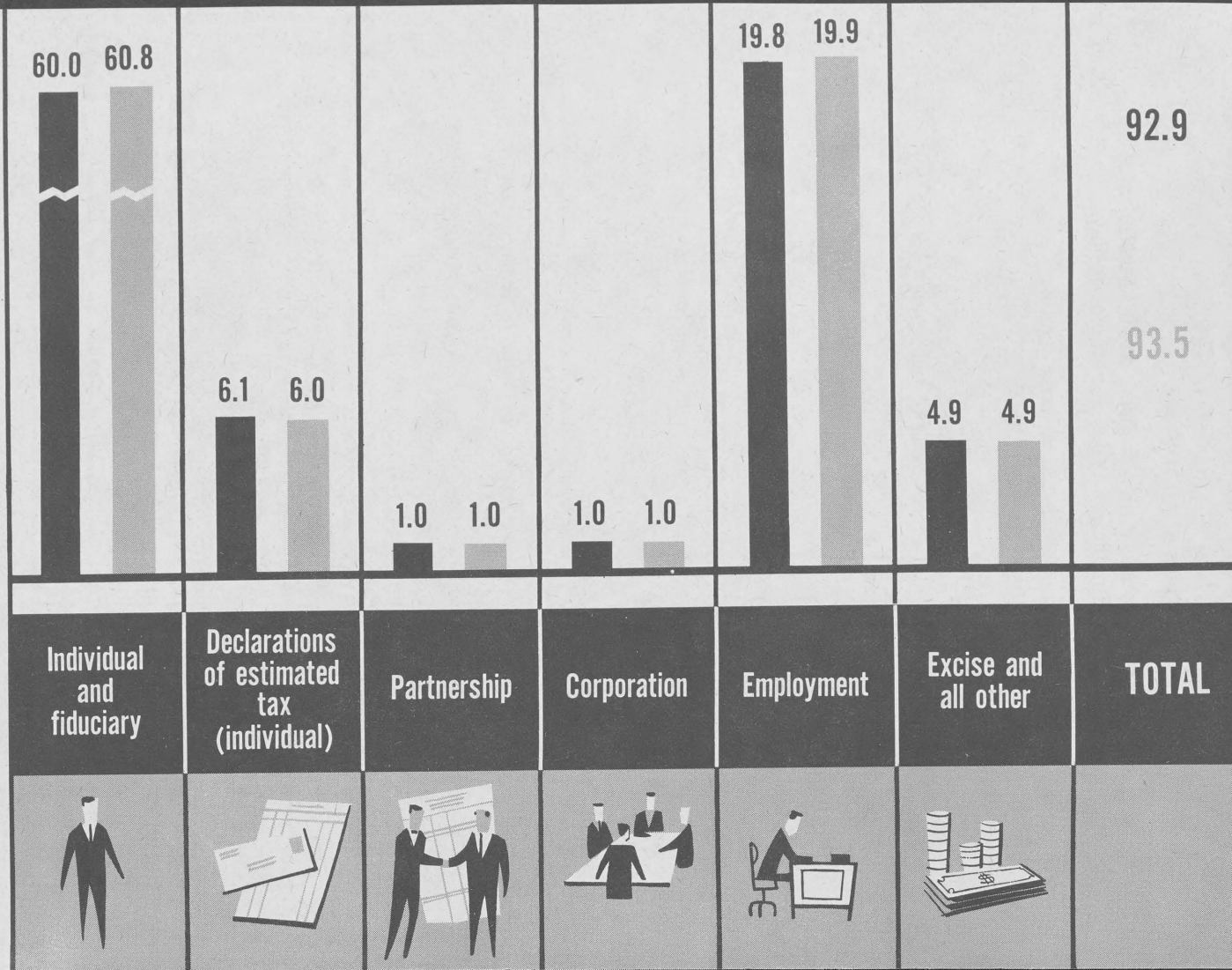
1959

millions

1958



NUMBER OF RETURNS FILED



A comparison of the number filed in fiscal 1959 with the number filed in fiscal 1958, by principal types of returns, follows:

Number of returns filed, by principal type of return

[Figures in thousands. For details, see table 5, p. 112]

Type of return	1959	1958
Grand total.....	92, 852	^r 93, 532
Income tax returns, total.....	68, 593	69, 202
Individual and fiduciary, total.....	60, 008	60, 793
Individual—citizens and resident aliens, total.....	59, 185	60, 007
Form 1040.....	41, 959	45, 818
Form 1040A.....	17, 226	14, 188
All other individual and fiduciary.....	824	786
Declarations of estimated tax, total.....	6, 120	6, 015
Individual.....	6, 102	5, 995
Corporation.....	18	20
Partnership.....	1, 016	1, 047
Corporation ¹	998	971
Other ²	451	377
Employment tax returns, total.....	19, 847	19, 856
Withheld income tax and old-age and disability insurance.....	18, 645	18, 618
Railroad retirement and unemployment insurance.....	1, 202	1, 238
Estate tax.....	61	54
Gift tax.....	85	80
Special occupational taxes.....	1, 338	^r 1, 268
All other excise taxes.....	2, 928	3, 071

^r Revised.

¹ Includes 30,000 corporation returns, Form 1120S, filed in the period Jan. 1 through June 30, 1959, by small business corporations electing to have their undistributed taxable income taxed to shareholders.

² Consists principally of exempt organization returns, tentative returns, and self-employment tax returns filed in Puerto Rico and Virgin Islands.

Service Centers

Large-scale centralized machine processing of individual income tax returns and declarations of estimated tax was further extended this year both as to area served and volume of returns processed.

The area served was extended to cover 63 districts. The Midwest Service Center at Kansas City, Mo., served all districts in the Atlanta, Chicago, and Cincinnati regions. The Northeast Service Center at Lawrence, Mass., served all districts in the Boston, New York, and Philadelphia regions. The Western Service Center at Ogden, Utah, served all districts in the Dallas, Omaha, and San Francisco regions except Honolulu.

In addition to extended district coverage, the centers processed a larger portion of the individual income tax workload for districts served in the past and undertook the processing of other returns on an experimental basis to determine how they may be adapted to machine processing.

During 1959, the three service centers processed an aggregate of 41 million Forms 1040 and 1040A, or approximately 70 percent of the total number filed.

Mathematical Verification

During the year, 52,465,000 income tax returns of individuals filed on Forms 1040 and 1040A were mathematically verified. This was a decrease of about 9 percent from the preceding fiscal year. The decrease is due primarily to the fact that some verification originally scheduled for 1959 was performed in 1958 and to an increase in the number of returns made available for prerefund audit. In addition there was less manpower available for verification work during 1959.

The number of error cases disclosed by mathematical verification declined by slightly more than 5 percent, as compared with the 9-percent decline in the number of returns verified. Among the error cases, the number with a tax increase declined by 7 percent, while the number with tax decreases dropped 2 percent. The increases averaged \$73 while the average decrease was \$65.

The results of mathematical verification of individual income tax returns during the last 2 years are shown in the following table:

Individual income tax returns mathematically verified

Item	Type of return					
	Total		Form 1040		Form 1040A	
	1959	1958	1959	1958	1959	1958
Number of returns verified.....thousands..	52,465	57,372	39,534	47,919	12,931	9,454
Number of returns on which changes were made.....thousands..	1,800	1,904	1,278	1,666	522	237
Returns with increase:						
Number.....thousands..	1,153	1,244	857	1,091	295	153
Amount.....thousand dollars..	84,688	107,256	62,664	95,360	22,023	11,897
Returns with decrease:						
Number.....thousands..	647	659	421	575	226	84
Amount.....thousand dollars..	42,268	45,480	25,406	38,401	16,862	7,078

Information Returns

More than 302 million information returns were received by the Internal Revenue Service during 1959. The majority of these, numbering over 200 million,¹ were Forms W-2 (employer's state-

¹ Includes number of Forms W-2, Copy B, involved in instances where two or more of these forms are attached to one income tax return. This differs from reporting basis employed in earlier reports, which, in such instances, took into account only the number of "sets" of Form W-2, Copy B.

ments of wages paid and tax withheld) and included both copies A, filed by employers, and B, filed by employees. Forms 1099 (information returns on payments of dividends, interest, and various other items) totaled nearly 96,000,000. The remaining information documents processed consisted of nearly 5,500,000 Forms 1087, Ownership Certificates—Dividends on Stock, and small numbers of other types of documents.

Collection Activity Reorganization

The new organizational alinement of collection division office branches which had been developed and tested in the Pittsburgh and Phoenix districts during 1958 was extended to all district offices prior to the 1959 filing period. The new organization establishes a balanced grouping of office functions and provides a straight line workflow with fewer control points and reduced transportation costs. An important feature is a Taxpayer Service Branch which provides prompt service at one central point on many of the inquiries and requests for assistance received from taxpayers.

Continuing the development of a "Blue Ribbon" Service in all functional areas, a study was undertaken which has as its objective improvement in organization and management in the delinquent accounts and returns branches of the district collection divisions.

ENFORCEMENT WORK

Audit of Returns

General.—The volume of returns examined was increased during 1959 for the fourth consecutive year, notwithstanding the fact that there was a slight decrease in audit personnel. The gain in examinations resulted from steps taken to streamline audit operations and permit more effective utilization of manpower.

Emphasis was concentrated on audit procedures to accelerate the closing of older cases and assure prompt examination of returns currently filed. Savings in clerical manpower were achieved through expanded use of service center machine facilities in the preparation of questionnaires to taxpayers and in the compilation of audit management reports. Post-audit-review operations also were strengthened to provide for a more effective coordination of the audit work throughout the nine regions.

A reorganization of district audit divisions was initiated which will redistribute middle management positions according to the needs of the respective offices. The audit training program was extended to provide for the training of office auditors, estate and gift tax agents, and pension trust specialists, and to provide advanced training for revenue agents.

Studies were undertaken to determine the best possible distribution of technical personnel among the regional and district offices; to improve the office audit operations in district offices by making guides, techniques, and related instructions available for use of office auditors; and to outline the duties and responsibilities of the regional audit staff in assisting district audit management in the development and execution of audit programs.

Post-audit-review operations.—A new program has been initiated to improve the coordination of the Regional Post Review operations and to achieve a high level of uniformity in the application of the Code, regulations, and procedures. Information obtained will provide an improved basis for appraising the quality of audit work, preparing training materials, and determining the needs for changes in the Code or regulations.

Reorganization of district audit divisions.—Changes in the organizational structure of district audit divisions were authorized in May 1959 to provide greater flexibility, a more effective span of control, and better utilization of both supervisory and technical personnel. The new organization provides for variations in the number of branches and the extent of intermediate supervision, to fit the size and scope of the district's audit mission.

Returns examined.—The number of returns examined totaled 2,888,000, representing an increase of 59,000 or 2 percent as compared with the 2,829,000 returns examined in 1958.

A comparison of the number of returns examined during the last 2 years follows:

Number of tax returns examined

(Figures in thousands)

Type of return	1959	1958
Grand total	2,888	2,829 ⁺
Income tax, total	2,595	2,496
Corporation	173	159
Individual and fiduciary	2,422	2,336
Estate and gift tax	29	28
Excise and employment tax ¹	264	306 ⁺

⁺ Revised.

¹ Excludes examinations resulting in no tax change where such examination was made from the taxpayer's copies of returns in the course of an audit covering both income and excise and/or employment tax. The number of such "no change" returns thus excluded is 819,000 for 1959 and 871,000 for 1958.

The district audit divisions also completed action on 13,678 offers in compromise involving income, profits, estate, gift, excise (other than alcohol), and employment taxes. For general discussion on offers in compromise activity, see page 40.

Fraud Investigations

Continued emphasis on identification and completion of cases of substance, combined with a decrease of 3 percent in technical personnel, resulted in a decline of 5 percent in the number of full-scale investigations completed and 16 percent in the number of prosecution recommendations. Additional tax and penalties involved in completed cases decreased slightly as compared with 1958, but remained well above totals for 1956 and 1957. The presentation to courts and juries of larger fraud cases of broad significance, while time consuming, is accompanied by more widespread news coverage and creates greater deterrent effect among would-be violators. However, in maintaining a balanced enforcement effort, cases involving the smaller, less complicated tax

frauds, usually committed by taxpayers in the lower income brackets, are recommended for criminal action whenever the violation is of such flagrancy as to warrant prosecution as a felony.

There was only a slight decrease in the number of investigations of applicants for enrollment to practice. This work and the investigation of charges against enrollees to practice will be transferred early in the next fiscal year to the Inspection Service, thereby permitting the Intelligence Division to devote its efforts exclusively to the identification and investigation of possible tax fraud violations.

A comprehensive training program for special agents was developed which is aimed at bringing the newly appointed special agent into production more quickly and at improving the performance of incumbent special agents (see p. 70).

A summary of investigations by special agents follows:

Tax fraud and other investigations completed by Intelligence Division

Type	1959	1958
Grand total.....	25,417	25,923
Suspected fraud and miscellaneous type cases investigated:		
Unnumbered (preliminary) investigations, total.....	14,237	14,416
Fraud.....	12,360	12,736
Wagering.....	1,499	1,247
Coin-operated gaming devices.....	242	306
Miscellaneous.....	136	127
Numbered (full-scale) investigations, total.....	3,969	4,184
Prosecution recommended, total.....	1,640	1,946
Fraud.....	1,026	1,280
Wagering.....	514	547
Coin-operated gaming devices.....	66	88
Miscellaneous.....	34	31
Prosecution not recommended, total.....	1,399	1,426
Fraud.....	1,251	1,254
Wagering.....	89	75
Coin-operated gaming devices.....	41	83
Miscellaneous.....	18	14
Investigations discontinued, total.....	930	812
Fraud.....	889	748
Wagering.....	31	52
Coin-operated gaming devices.....	10	12
Other investigations, total.....	7,211	7,323
Applications for admission to practice before the Treasury Department.....	¹ 7,160	7,241
Charges against enrollees to practice.....	51	82

¹ In addition to the applications for admission to practice before the Treasury Department, there were 3,698 renewal applications processed and renewal cards issued during fiscal year 1959.

Federal-State Cooperation

Further steps were taken to develop the program for coordination of Internal Revenue and State tax enforcement efforts. The potential value of joint uses of information by both jurisdictions is receiving wider recognition. More States have shown an interest in obtaining the adjustments made in Federal audit of tax returns. State efforts to reciprocate, but not their willingness, have been limited in a number of respects, particularly in the audit area. Because the Revenue Service cannot reach all returns needing audit, it has encouraged State tax authorities to develop supplemental audit programs geared to the Federal limitations. It has been found also that the States can provide many auxiliary types of information that may be useful in Federal enforcement.

All existing exchange relationships between Internal Revenue field offices and State tax administrators, which still predominantly reflect informal arrangements made on a local basis, are being carefully reviewed. This review is intended to bring out ways in which improved planning would facilitate expansion of the benefits that may be obtained from exchange of information and assistance.

The recent rapid adoption of mechanized systems by the States has provided a broader opportunity for meshing sources of tax information. For example, one State recently carried out a mechanical match of its sales tax returns and Federal income tax returns, with gratifying results. It is expected that the interchangeability of data on taxpayers will have more scope as systems for rapid data processing develop.

Alcohol and Tobacco Tax Program

This was the second complete year for the new enforcement program which continues to produce very tangible results in the effort to combat production and sale of illicit alcoholic beverages. This program places primary emphasis on—

- (1) a concentrated drive to detect and prosecute organized groups of large-scale operators;
- (2) the extension of investigations and the planning of raids so as to arrest groups of violators together (more arrests per seizure);
- (3) an intensified raw materials preventive program.

Field and case reports show marked success in the efforts to detect and prosecute large-scale violators. In connection with the second area of emphasis, the percentage of stills seized with defendants increased over the past two years by more than one-third.

The pressure of the preventive raw materials program, the third area of emphasis, caused increasing disruption of the "moon-shiner's" traditional sources of supply. The cost of sugar used in the manufacture of nontaxpaid distilled spirits rose to a level exceeded only during World War II sugar rationing. Substitutes are frequently used and major violators often have several employees whose only duty is to make small retail sugar purchases and accumulate enough to operate. Consequently, the uninterrupted operation of the larger stills is the exception, not the rule.

The success of the new enforcement program is indicated in the unusual interest of the courts and the U.S. attorneys as evidenced by their many favorable comments on the soundness of the program, more successful convictions, and the imposing of longer sentences for violation of Federal liquor and raw materials laws.

Seizures for violations of alcohol, tobacco, and firearms tax laws decreased generally, and arrests decreased also during the year. As compared with the preceding year, the seizure of stills decreased only nominally; seizures of nontaxpaid distilled spirits increased by 4 percent; and the appraised value of property seized decreased 12 percent, from \$3,403,778 to \$2,993,054. The number of vehicles seized decreased 1 percent, from 3,229 to 3,193. Seizures of nontaxpaid wines decreased from 7,448 gallons to 4,301.

The number of arrests decreased from 11,631 to 10,912, including 42 arrests for tobacco tax violations and 597 arrests for firearms violations.

A comparison of seizures and arrests follows:

Seizures and arrests for alcohol, tobacco, and firearms violations

Item	1959	1958
Seizures:		
Stills.....number.....	9,225	9,272
Nontaxpaid distilled spirits.....gallons.....	225,232	216,216
Nontaxpaid wines.....do.....	4,301	7,448
Mash.....do.....	4,655,572	5,140,846
Vehicles.....number.....	3,193	3,229
Property (appraised value).....dollars.....	2,993,054	3,403,778
Arrests ¹number.....	10,912	11,631

Note.—Includes seizures and arrests in cases adopted, as well as originated by the Alcohol and Tobacco Tax Division.

¹ Includes 42 arrests for tobacco tax violations and 597 arrests for firearms violations in 1959, and 9 arrests for tobacco tax violations and 513 arrests for firearms violations in 1958.

1959

1958



SEIZURES AND ARRESTS FOR LIQUOR LAW VIOLATIONS



Action under the Liquor Enforcement Act of 1936 (now 18 U.S.C. 1261, 1262, 3615) against persons attempting to import liquor into the State of Oklahoma resulted in 28 arrests and the seizure of 1,367 gallons of taxpaid liquor and 20 vehicles, valued at \$42,952. This act ceased to apply to any State, upon the repeal of the Oklahoma Prohibition Ordinance and the enabling act by a vote of the electorate on April 7, 1959, and the signing of the House Bill 825 of the Oklahoma Legislature, on June 23, 1959, by the Governor.

During the year, 4,459 case files were examined in connection with preparation and submission to the wardens of Federal institutions under the jurisdiction of the Bureau of Prisons, Department of Justice, of background information required by prison officials and pardon and parole boards for classifying persons serving sentences resulting from convictions in alcohol, tobacco, and firearms cases, and/or considering applications from such persons for pardon and parole.

Firearms Program

During 1959, registration of firearms totaled 52,156 compared with 9,254 in 1958. This substantial increase in registrations resulted from the importation in 1959 of large quantities of rifles which, because of their barrel length of less than 18 inches, are subject to the provisions of the National Firearms Act. Investigational work under the National and Federal Firearms Acts, and the Act of August 9, 1939 (49 U.S.C. 781), resulted in 597 arrests, the seizure of 161 vehicles, the seizure of 887 firearms, and the completion of 611 criminal prosecution cases.

Rewards to Informers

Individuals who sought rewards as informers submitted 4,157 claims during 1959. Of the year's receipts and those still on hand at the end of the prior year, 5,102 were closed. A majority of the claims closed were disallowed either because they could not be substantiated or because they did not fulfill the eligibility requirements of the regulations.

Although 708 of these claims were approved, the recommended payments of \$416,704 decreased by \$76,831 from last year. Taxes, interest, and penalties recovered on the strength of informants' disclosures were nearly 30 times the amount of rewards recommended.

Continued emphasis on disposing of these claims as rapidly as possible has resulted in a substantial decrease in the number of unprocessed claims as compared with the prior fiscal year.

A comparison of results for this activity during the last 2 years is shown below:

Receipt and disposal of claims for informers' rewards

Status	1959	1958
Pending July 1.....number.....	5,689	7,076
Received during year.....do.....	4,157	4,173
Disposed of during year, total.....do.....	5,102	5,560
Rejected.....do.....	4,394	4,866
Allowed.....do.....	708	694
Pending June 30.....do.....	4,744	5,689
Amount allowed on claims disposed of during year.....dollars.....	416,704	493,535

Cases Involving Criminal Prosecution

Total additional taxes and penalties of \$87,622,773 were involved in cases received in the Chief Counsel's office with recommendations of criminal prosecution. This reflected an increase of about \$5,500,000 over the amount involved in the prior year.

An analysis of criminal tax cases of all types (other than wagering-occupational tax cases handled at the District level) flowing from the Assistant Regional Commissioner, Intelligence, through

the office of the Chief Counsel and the Department of Justice follows:

Receipt and disposal of cases in Chief Counsel's office

Status	1959	1958
Pending July 1 ¹	2,132	3,140
Received during year, total	1,640	1,565
With recommendation for prosecution	1,552	1,501
With requests for opinion	88	64
Disposed of during year, total	1,641	2,573
Prosecution not warranted	325	285
Department of Justice declined	69	208
Prosecutions	985	1,770
Opinions delivered	91	84
All other closings	171	226
Pending June 30 ¹	2,131	2,132

¹ Includes cases awaiting action in Department of Justice exclusive of wagering tax cases referred by Intelligence Division.

A total of 823 income and miscellaneous criminal cases, with prosecution recommendations involving 905 prospective defendants, was forwarded to the Department of Justice. Compared with the prior year, this was a decrease of 13 percent in the volume of referrals. Indictments in such cases were down 23 percent in 1959 and the total disposal of cases in these categories in the district courts decreased by 25 percent.

In income, excise, and wagering tax cases reaching the courtroom, 796 defendants pleaded guilty or nolo contendere, 113 were convicted after trial, 72 were acquitted, and 177 were dismissed. In alcohol, tobacco, and firearms tax cases, 5,694 pleaded guilty, 789 were convicted after trial, 360 were acquitted, and 724 were dismissed.

A comparison of indictments and courtroom actions for the last 2 years follows:

Results of criminal action

Action	Number of defendants	
	1959 ¹	1958
Total		
Indictments and informations	8,770	8,705
Disposals, total	8,725	8,647
Plea—guilty or nolo contendere	6,490	6,243
Convicted after trial	902	962
Acquitted	432	531
Nol-prossed or dismissed	¹ 2 901	911
Income tax and miscellaneous cases ²		
Indictments and informations	702	918
Disposals, total	743	995
Plea—guilty or nolo contendere	543	720
Convicted after trial	88	87
Acquitted	48	46
Nol-prossed or dismissed	¹ 64	142
Wagering tax cases		
Indictments and informations	483	441
Disposals, total	415	532
Plea—guilty or nolo contendere	253	248
Convicted after trial	25	41
Acquitted	24	60
Nol-prossed or dismissed	113	183
Alcohol, tobacco, and firearms taxes		
Indictments and informations	7,585	7,346
Disposals, total	7,567	7,120
Plea—guilty or nolo contendere	5,694	5,275
Convicted after trial	789	834
Acquitted	360	425
Nol-prossed or dismissed	² 724	586

¹ Includes cases dismissed for the following reasons: 7 because of death of principal defendant, 1 because of serious illness, and 44 because major defendant had pleaded guilty or had been convicted in a related case.

² Includes 27 terminations because of trials in other cases.

³ Includes income, estate, gift, and excise taxes other than wagering, alcohol, tobacco, and firearms taxes.

Supreme Court decisions in criminal cases.—Certiorari was denied and rehearing was refused in the case of *Paul DeLucia*, a notorious gambler and racketeer, convicted and sentenced to imprisonment for 3 years and fined \$5,000 on charges of attempted evasion of taxes on income alleged by the defense to represent expenditure of a cash hoard on hand in the 1940's after a conspiracy to extort money from the movie industry.

The Supreme Court, in affirming a tax evasion conviction in *Palermo v. United States* (360 U.S. 343), restricted the extent to which defendants can inspect prior statements of government witnesses under section 3500, Title 18, U.S.C., by excluding memoranda of interviews prepared by special agents from the scope of the *Jencks Act*.

A major decision in the field of conspiracy to violate the Federal wagering tax statutes affirmed the conviction of two principals engaged in evasion of the wagering taxes and reversed the conviction of two minor employees of the lottery not shown to have knowledge of the principals' failure to pay the Federal gambling tax. *Ingram et al. v. United States* (360 U.S. 672).

Other court action of significance.—The further hearing on the motion to suppress in *United States v. Shotwell Manufacturing Company et al.*, ordered by the Supreme Court (355 U.S. 233) on the basis of newly discovered evidence impugning the truthfulness of trial testimony as to an alleged voluntary disclosure, was held and the motion was denied, and the defendants were resentenced for the attempted evasion of income taxes.

The trial of *Dave Beck*, former president of the International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America, resulted in his conviction on charges of the attempted evasion of about \$240,000 in income taxes for the years 1950 to 1953, inclusive, and assisting in the preparation of false information returns on behalf of the union's Joint Council Building Association. Judge Boldt imposed a sentence of 5 years' imprisonment and the maximum fines in the total of \$60,000.

Eugene James, secretary-treasurer of Local 46 of the International Union of Laundry Workers, was convicted and sentenced to 3 years' imprisonment for the attempted evasion of approximately \$563,000 in income taxes on unreported moneys received by him, including substantial diversions of funds from welfare payments made by union members.

Collection of Delinquent Accounts

The number of delinquent accounts on hand was reduced in 1959 to the lowest point reached in nearly 7 years. Dollar amounts outstanding also showed a substantial reduction, with the year-end figure dropping below that of any year since 1954.

The inventory of delinquent accounts on June 30, 1959, totaled 1,202,000 cases and \$1,206,005,000. This represents a reduction of 20 percent in number and 18 percent in amount, compared to a year ago.

In order to bring this work as nearly up to date as possible, efforts were continued to reduce the number of older accounts, without diminishing the attention given to current cases. By June 30, the proportion of cases with balances 2 years old and over had dropped to 18 percent, compared with nearly 20 percent a year earlier.

This year 2,656,000 delinquent account assemblies (each assembly consists of a notice to the taxpayer and 2 office records) were issued, which is 11 percent less than the alltime high reached last year. The amount of tax on these cases was \$1,195,919,000, which was 12 percent lower than last year.

Delinquent accounts disposed of totaled 2,960,000 cases and \$1,456,137,000 this year. Both the number and dollar value of these disposals are slightly higher than last year. This disposal action reflects the effort which resulted in the reduced delinquent accounts' inventory even though employment in the delinquent accounts and returns branches of district offices was slightly lower than last year.

The collection of delinquent accounts by office collection methods was further expanded, with the result that the Office Collection Force was responsible for over one-half of all delinquent accounts closed during the year. The increased use of office collection methods on easier cases has made it possible for the revenue officer staff to concentrate on the more difficult cases. This year revenue officers closed 16 percent fewer cases than the Office Collection Force but 69 percent more in dollars.

The amount collected from delinquent accounts in 1959 totaled \$978,283,000, which was 3.3 percent lower than 1958.

A comparison of the results of delinquent account activity for the last 2 years is shown below:

Taxpayer delinquent accounts

Status	Number (thousands)		Amount (thousand dollars)	
	1959	1958	1959	1958
Assemblies issued ¹	2, 656	2, 978	1, 195, 919	1, 352, 478
Closed, total	2, 960	2, 960	1, 456, 137	1, 446, 785
By type of action:				
Collected	2, 396	2, 434	978, 283	1, 011, 948
Other disposals ²	565	526	477, 854	434, 837
By method of handling:				
Revenue officers	1, 288	1, 295	791, 278	754, 734
Office Collection Force	1, 533	1, 487	469, 533	436, 085
Other ³	139	178	195, 326	255, 966
Pending June 30, total	1, 202	1, 505	1, 206, 005	1, 466, 223
Active	1, 079	1, 368	762, 024	976, 466
Inactive ⁴	122	137	443, 981	489, 756

¹ The assembly comprises several parts, all for office use, except one which is a notice to the taxpayer indicating legal action unless immediate payment is made.

² Includes adjustments to reflect erroneous and duplicate assessments, uncollectibility, etc.

³ Consists of closings by the office group designated to handle inactive accounts.

⁴ Consists of inactive accounts on which collection has been deferred, such as cases involving military personnel, offers in compromise, etc.

Delinquency Investigations and Delinquent Returns

Approximately 1 million investigations were completed involving individuals or firms on which preliminary information indicated a failure to file some type of return. There were 440,000 delinquency investigations pending at the end of this year compared with 585,000 last year.

During the year 761,000 delinquent returns were secured involving \$92,020,000 in tax, penalties, and interest. Most of these were quarterly returns of employment and excise taxes. This is a decrease of 15 percent in number and 14 percent in amount as compared with last year. The decrease is due principally to the fact that, during 1959, emphasis was placed on the collection of delinquent accounts, with the result that less manpower was available for securing delinquent returns.

APPEALS AND CIVIL LITIGATION

General

The number of protested income, profits, estate, and gift tax cases received in pre-90-day and 90-day status by the regional appellate divisions from the district offices during 1959 was somewhat higher than the number received during 1957 or 1958. However, during 1959 the upward trend in receipts showed signs of leveling off. This is in contrast to the 1954-57 period when receipts were increasing rapidly each year.

The larger volume of protested cases referred to the regional appellate divisions is reflected in increases in both the number of cases disposed of and the number pending. Notwithstanding the larger workload, the policy of considering protested cases promptly has continued with the result that disposals increased and the inventory at the close of the year was in current condition.

The number of petitions filed with the Tax Court of the United States also increased during the year. This is attributable to the larger volume of regional appellate division disposals of protested cases and to an increase in the number of cases which were not considered by the regional appellate divisions prior to the issuance of the statutory notice. Disposals of petitioned cases also increased, but did not equal receipts.

Income, Profits, Estate, and Gift Taxes

The following tables reflect case receipts, dispositions, and pending inventories for the regional appellate divisions as a whole during the last 2 fiscal years:

Appellate Division processing of protested income, profits, estate, and gift tax cases prior to issuance of statutory notice of deficiency (pre-90-day cases)

Status	Number of cases	
	1959	1958
Pending in pre-90-day status July 1	12,394	11,123
Net receipts from district directors during year	17,379	16,512
Processed during year, total	16,475	15,241
Agreed	11,785	10,109
Unagreed overassessment and claim rejections	625	604
Appellate Division statutory notices issued—transferred to 90-day status	4,065	4,528
Pending in pre-90-day status June 30	13,298	12,394

Appellate Division processing of protested income, profits, estate, and gift tax cases in which statutory notices of deficiency were outstanding (90-day cases)

Status	Number of cases	
	1959	1958
Pending in 90-day status July 1	1,874	1,453
Net receipts during year, total	4,384	4,945
Statutory notices issued by Appellate Division ¹	4,004	4,469
Cases resulting from district directors' statutory notices	380	476
Processed during year, total	4,928	4,524
Agreed	606	728
Defaulted	1,124	1,095
Petitioned to the Tax Court—transferred to docketed status	3,198	2,701
Pending in 90-day status June 30	1,330	1,874

¹ Difference from preceding table is caused by cases being combined or split for the purpose of issuing the statutory notice, cases in transit, etc.

Appellate Division processing of income, profits, estate, and gift tax cases petitioned to the Tax Court (docketed cases)

Status	Number of cases	
	1959	1958
Pending in docketed status July 1	10,395	8,761
Net receipts during year, total	7,002	6,272
Petitions filed in response to—		
District directors' statutory notices	4,131	3,677
Appellate Division's statutory notices ¹	2,824	2,546
Cases reconsidered after trial	47	49
Processed during year, total	5,649	4,638
Agreed—stipulated	4,478	3,478
Dismissed or defaulted	310	353
Tried before the Tax Court on merits	861	807
Pending in docketed status June 30	11,748	10,395

¹ Difference from number shown as petitioned in preceding table is caused by excluding district directors' statutory notices considered by Appellate in 90-day status, cases in transit, etc.

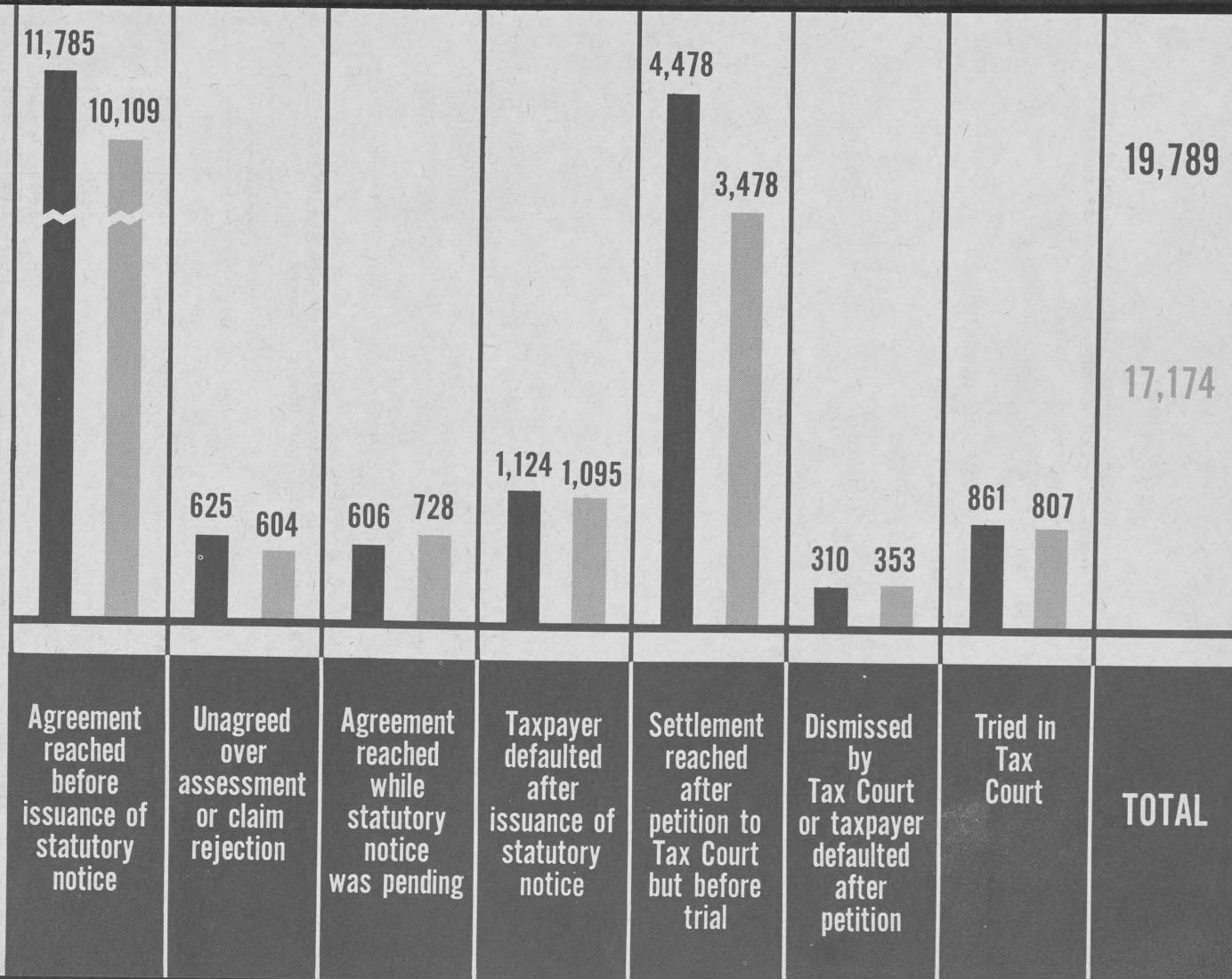
1959

*number
of cases*

1958

**APPEALS (INCOME,
PROFITS, ESTATE,
AND GIFT TAXES)**

**METHOD OF DISPOSAL
OF APPELLATE
DIVISION CASES**



Excise and Employment Taxes

The receipts of excise and employment tax cases increased over prior years. The increase in 1959 was offset to some extent by an increase in disposals.

The following table reflects the results in excise and employment tax cases :

Appellate Division processing of protested excise and employment tax cases

Status	Number of cases	
	1959	1958
Pending July 1	799	628
Received during year	1,656	1,498
Processed during year, total	1,418	1,327
Settled by agreement	675	591
Closed without agreement	743	736
Pending June 30	1,037	799

Effect of New Settlement Procedure

The new procedure for settling Tax Court cases in various field offices has been in effect for approximately a year. As indicated in last year's report, under this procedure a determination as to settlement of a "presession" case is within the joint responsibility of the regional counsel and the regional appellate division, while a determination as to settlement of a "session" case is within the responsibility of the regional counsel. The results of this year's operation under the new procedure show that cases are being disposed of more efficiently, thus enabling the taxpayers and the Government to close cases at an earlier date. One of the effects of this new procedure has been to close cases at trial sessions of the court without a continuance, and it has enabled the court to dispose of more cases at motion sessions of the court in Washington without resetting such cases at trial sessions. This, of course, has enabled the court to set cases for trial which otherwise could not have been set at an early date.

Claims for Relief From Excess Profits Tax

Substantial progress was made during the year in the disposition of the remaining claims for relief from the World War II excess profits tax (sec. 722, Internal Revenue Code of 1939). The number of cases pending in the Tax Court was reduced 62 percent, from 99 to 38; and no nondocketed cases were pending before the Excess

Profits Tax Council by the close of the year. The results for the year were as follows:

Claims for relief from excess profits tax

Status	Cases not petitioned to the Tax Court		Cases petitioned to the Tax Court	
	Number of cases	Amount claimed (thousand dollars)	Number of cases	Amount claimed (thousand dollars)
Pending July 1, 1958.....	1	255	99	341,983
Received.....	1	13		
Total.....	2	268	99	341,983
Closed.....	2	268	61	194,564
Pending June 30, 1959.....			38	147,419

Compromise and Closing Agreement Cases

Final closing agreement cases relating to completed transactions are considered by the Appellate Division. The table shown below reflects the activity in this area during the year 1959. (Rulings on proposed closing agreements involving prospective transactions are discussed on p. 54.)

The table below also shows the number of offer-in-compromise cases appealed to the regional appellate divisions and the results of such appeals. This information is also included in the data on compromise cases appearing on pages 40 and 41.

Appellate Division processing of compromise and final closing agreement cases

Status	Compromise cases		Final closing agreement cases	
	1959	1958	1959	1958
Pending July 1.....	212	210	12	15
Received during year.....	447	398	31	27
Processed during year, total.....	449	396	36	30
Accepted, granted, or approved.....	134	111		
Rejected.....	272	244		
Withdrawn.....	43	41		
Pending June 30.....	210	212	7	12

Civil Litigation

Litigation results.—The Supreme Court decided 23 tax cases last year, sustaining the Government's position in all of the cases.

The circuit courts of appeals decided 405 tax cases (exclusive of bankruptcy, receivership, insolvency, compromise, and liquor

cases). The Government's position was supported in 230 of these cases.

In most cases, a taxpayer who has paid a disputed tax can, if he wishes, sue for refund in the Court of Claims or in a U.S. district court. Last year the district courts decided 168 cases for the Government, 200 for the taxpayer, and 46 cases partly for the Government and partly for the taxpayer. The Court of Claims decided 57 cases for the Government, 18 cases for the taxpayer, and 3 cases partly for each.

There were at year-end 2,334 civil cases (principally suits for refund of taxes, other than those relating to alcohol, tobacco, and firearms taxes) involving tax questions pending in district and State courts, and 467 pending in the Court of Claims.

For details of the cases in courts other than the Tax Court, see tables 20, 21, and 22 on pages 130 and 131.

Decisions of Supreme Court.—Among civil tax cases (see "Enforcement" section for criminal cases) decided by the Supreme Court were the following:

On November 10, 1958, the Supreme Court decided three cases in favor of the Government: *Commissioner v. James E. Peurifoy*, *Commissioner v. Paul V. Stines and Betty O. Stines*, *Commissioner v. John S. Hall and Doris D. Hall*, 358 U.S. 59. These cases involved the deductibility of travel and living expenses of construction workers while away from home (where their families resided). The Supreme Court upheld the decision of the Court of Appeals for the Fourth Circuit which had reversed the Tax Court's allowance of these expenses. The Fourth Circuit reversed because one of the men had worked on the project for 20 months, another for a year, and a third for 8 months, and since each had left this project for either personal or undisclosed reasons while work was still available, the Court decided the work was for an indeterminate duration rather than just temporary. The Supreme Court held that the question was one of fact, and inasmuch as the court of appeals had made a fair assessment of the record, it refused to intervene.

Also on November 10, 1958, the Supreme Court decided the case of *United States v. Hulley* (1958), 358 U.S. 66, reversing, per curiam, the Supreme Court of Florida (102 So. 2d 599). The trial court had held that mechanics' liens became effective on the date of the visible commencement of operations for improvement of certain property belonging to the taxpayer, a date prior to the filing of the notice of Federal tax lien, and therefore had priority over the Federal tax lien even though such mechanics' liens were not filed until after the date of the filing of the notice of Federal tax lien.

This decision was affirmed, per curiam, by the Supreme Court of Florida. The decision of the Supreme Court in this case cited the case of *United States v. Vorreiter* (1957), 355 U.S. 15, reversing the Supreme Court of Colorado (307 P. 2d 475) together with the line of cases dealing with this problem beginning with *United States v. Security Trust & Savings Bank* (1950), 340 U.S. 47.

On February 24, 1959, the Supreme Court affirmed the decision of the Ninth Circuit in *William B. Cammarano, et ux. v. U.S.* and the decision of the Eighth Circuit in *F. Strauss & Son, Inc. v. Commissioner* (see 358 U.S. 498). The decision was for the Government. The issues involved the interpretation and validity of Treasury Regulations 111, section 29.23(o)-1 and section 29.23(q)-1 to deny deductions, as "ordinary and necessary" business expenses under section 23(a)(1)(A) of the Internal Revenue Code of 1939, of sums expended by taxpayers in furtherance of publicity programs designed to help defeat initiative measures pending before the voters of Washington and Arkansas. Certiorari was granted because of the recurring nature of the problem and because of its importance in the administration of the revenue laws. The Court held that these regulations had acquired the force of law and were applicable to the situations involved in these two cases.

On April 6, 1959, the Third Circuit decisions in favor of the Government in *Parsons v. Smith* and *Huss v. Smith* (six cases) were affirmed (see 359 U.S. 215). Involved was the question of whether strip-coal miners (petitioners) had a depletable economic interest in the mineral in place. The Court reviewed the economic interest doctrine from its enunciation in *Palmer v. Bender* (1933), 287 U.S. 551, and reaffirmed the distinction between an economic interest in the minerals in place and a mere economic advantage derived from production, citing *Helvering v. Bankline Oil Co.* (1938), 303 U.S. 362, and section 29.23(m)-1, Regs. 111. Applying the principles set down in the *Palmer* decision and later decisions, the Court concluded that under the contracts involved in the instant cases, petitioners did not make any capital investment in or acquire any economic interest in the coal in place.

On March 9, 1959, the Supreme Court decided the case of *United States v. Embassy Restaurant, Inc.* (1959), 359 U.S. 29, reversing the Court of Appeals for the Third Circuit (254 F. 2d 475) which had upheld the District Court. The District Court had held that unpaid contributions to a union welfare fund were "wages . . . due to workmen" and as such were entitled, in bankruptcy, to priority under section 64(a)(2) of the Bankruptcy Act. The Supreme Court held that the contributions were not due to the

workmen but to the trustees of the welfare fund and further that they did not have the customary attributes of wages. In so doing the Court distinguished its prior decision in *United States v. Carter* (1957), 353 U.S. 210. In *Carter* the Court was concerned with the right of trustees of a welfare fund to sue on a contractor's payment bond "for sums justly due" under the Miller Act which does not limit recovery on the statutory bond to "wages." In the instant case it was concerned with the Bankruptcy Act and the relative priority of claims of classes of creditors.

On March 23, 1959, the Supreme Court decided the case of *Edgar B. Sims v. United States of America* (1959), 359 U.S. 108, affirming the decision of the Court of Appeals for the Fourth Circuit (252 F. 2d 434) upholding the District Court. The District Court had held that the failure of the petitioner, the State Auditor of West Virginia, to honor levies served upon him to reach the salary due certain State employees who were indebted to the Government on account of unpaid Federal tax assessments, rendered him personally liable in a sum equal to the amount he refused to surrender pursuant to the levies. The decision of the Supreme Court rejected the petitioner's argument that a State is not a "person" upon whom a levy could be served. It also rejected the argument that the petitioner was not a person "obligated with respect to" the salaries involved and therefore not personally liable, citing several decisions of the Court of Appeals of West Virginia involving the petitioner and his power to control the disposition of salary funds. This is the first U.S. Supreme Court decision on the questions involved and should do much to clarify these particular aspects of Federal and State relationships.

The so-called "dealers' reserve" cases were decided in the Government's favor by the Supreme Court under date of June 22, 1959, 79 S. Ct. 1270, in *Commissioner v. John R. and Shirley G. Hansen*, *Commissioner v. Burl P. Glover*, and *Commissioner v. Clifton E. and Violet R. Baird*, representing appeals from the Courts of Appeals of the Seventh, Eighth, and Ninth Circuits. In these cases the taxpayers, two automobile dealers and a house trailer dealer, were required to accrue, as income, the percentage of the price withheld on sales by them to finance companies and banks of installment payments received from customers and credited to the dealers' reserve accounts. The Court overruled the dealers' contention that the substance of the transaction was a loan from the finance companies or banks to the buyer who then authorized payment to the dealer of the full amount of the paper less that portion retained in the dealers' reserve. The substance of the transaction, as viewed by the Supreme Court, was to the effect

that the dealer takes the buyers' notes and then sells them to the finance company or bank; hence, the retention of the amount placed in the reserve was found to depend upon the note-sales agreements between the dealer and the finance companies or banks. And, since these amounts would ultimately either be paid to the dealer or used for his benefit in satisfying his obligations to the finance company or bank as guarantor of the installment paper, the amount retained for the reserve was held to be properly accruable at the time the finance company or bank credited it to the dealer's account.

On June 29, 1959, the consolidated cases of *Hine Pontiac v. United States*, *Modern Olds, Inc. v. United States*, and *Commissioner v. Kilborn*, and of *Colonial Chevrolet Corp. v. United States* and *Marine Chevrolet Co. v. United States* were decided in per curiam opinion in favor of the Government; see 79 S. Ct. 1443 and 1444. The Court followed its decisions in the *Hansen*, *Glover*, and *Baird* cases. The Court has thus adopted the position taken by the Board of Tax Appeals and the Tax Court in a long line of decisions, and has resolved a conflict which had existed among the courts of appeal.

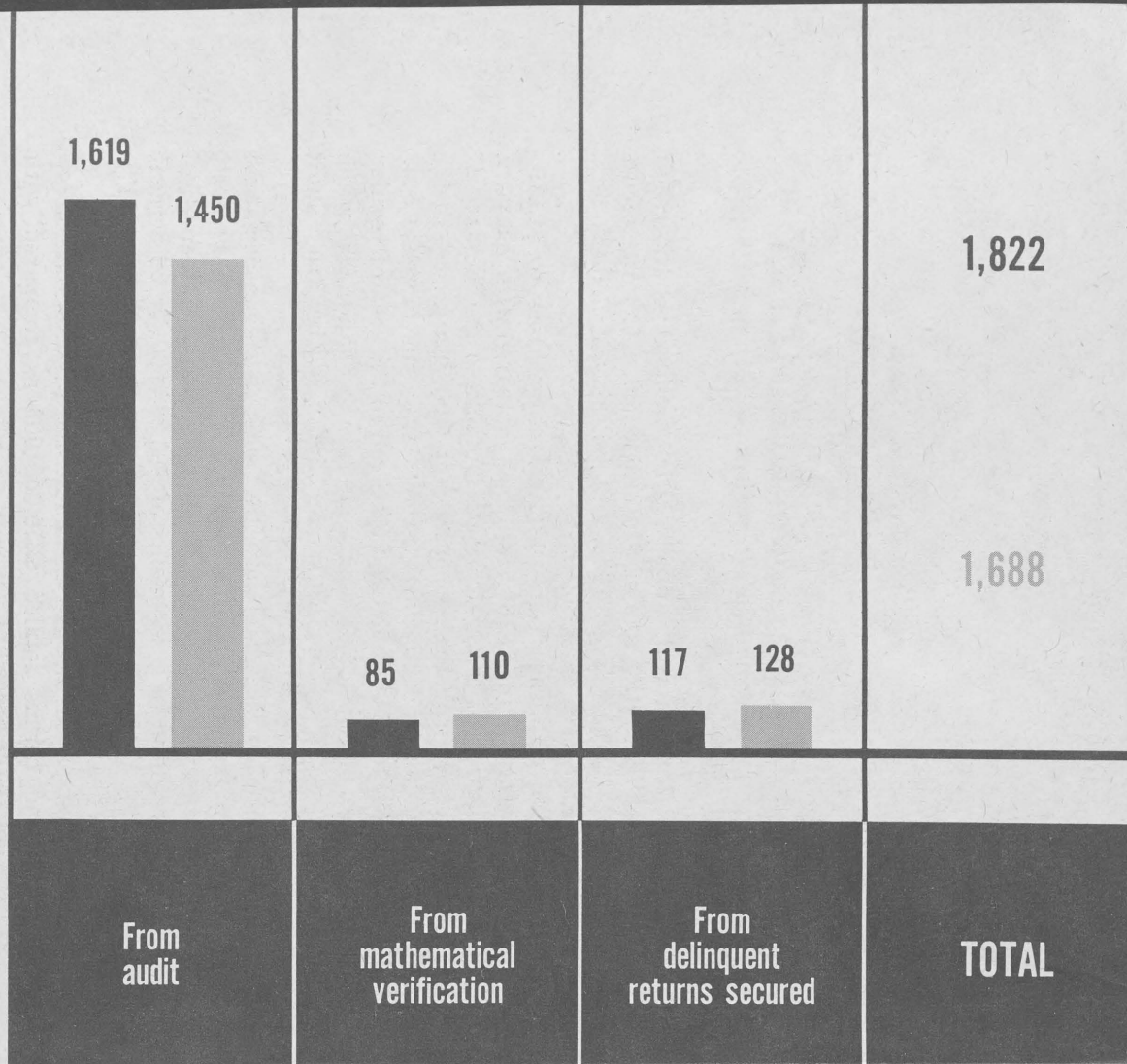
Statement on adverse Tax Court decisions.—There were published in the Internal Revenue Bulletin acquiescences of the Commissioner in 211 adverse decisions of the Tax Court and non-acquiescences in 41 adverse decisions.

1959

*millions
of dollars*

1958

**ADDITIONAL TAX FROM
ENFORCEMENT EFFORTS
(INCLUDING INTEREST
AND PENALTIES)**



CHANGES IN TAX LIABILITY

Additional Tax

Additional tax, interest, and penalties assessed as the result of enforcement activities totaled \$1,821,616,000. This represents an 8-percent increase over 1958 and marks the highest total reached since the reorganization of the Service in 1952.

Assessments resulting from audit of returns rose to \$1,619,148,000, showing a gain of \$169,584,000 as compared with last year. The major portion of this gain is attributable to the increase of \$110,726,000 shown in the corporation income tax area. In the case of individual and fiduciary income taxes, the increase over 1958 amounted to \$20,981,000 and occurred in the area of regular audit. Estate and gift tax assessments rose by \$35,716,000, while smaller gains were reported in the amounts resulting from audit of employment tax returns and excise tax returns.

Other types of enforcement activities, such as the mathematical verification of returns and the securing of delinquent returns, showed decreases in assessments during the year. Mathematical verification resulted in assessments of \$85,233,000, or 22 percent less than 1958. Delinquent returns secured decreased to \$117,235,000, which is 9 percent less than 1958.

The amount saved through the audit and disallowance of improper refund claims totaled \$259,002,000 as compared with \$271,168,000 in the preceding year.

Results for the last 2 years are shown in the following table:

Tax, interest, and penalties resulting from enforcement efforts

[In thousands of dollars]

Item	1959	1958
Additional tax, interest, and penalties assessed, total.....	1,821,616	* 1,687,671
From audit, total.....	1,619,148	1,449,564
Income and profits taxes, total.....	1,422,657	1,290,949
Corporation income and profits.....	747,426	636,700
Individual and fiduciary:		
Prerefund audit.....	97,775	102,595
Regular audit.....	577,455	551,654
Estate and gift taxes.....	164,528	128,812
Employment taxes ¹	6,338	* 5,351
Excise taxes.....	25,624	24,452
From mathematical verification of income tax returns, total.....	85,233	109,674
Individual (Forms 1040 and 1040A).....	84,688	107,256
Fiduciary (Form 1041).....	276	510
Corporation.....	2470	1,907
From delinquent returns secured, total.....	117,235	128,433
By Collection Division.....	92,020	* 107,124
By Audit Division.....	25,214	21,308
Claims disallowed.....	259,002	271,168

* Revised.

¹ Includes withheld income tax.

² July-December 1958 only. Not available for periods subsequent to Dec. 31, 1958.

Overassessments and Overpayments

Refunds.—The number of internal revenue refunds totaled 37,580,000, representing a slight decrease as compared with 1958. However, the amount refunded, including interest, increased 10.9 percent to a total of \$5,156,969,000. The amount of interest allowed on the refunds was \$69,480,000, which was 5.7 percent below last year's figure.

The increases in amount of refunds occurred chiefly in the "pre-payment" refunds of individual income taxes, which increased 4.8 percent, and in the refunds of corporation income taxes which rose by almost 64 percent as the result of a sharp increase in allowances of loss carryback claims (see p. 38). A significant factor in the issuances of refunds was the decrease in the amount of interest paid even though the amount of refunds increased considerably. This is the result of a more efficient processing of claims and overpaid returns by both the audit and collection divisions of district offices.

Included in the manufacturers' and retailers' excise taxes were 1,407,000 refunds made to farmers, transit systems, and users of nonhighway vehicles, which aggregated approximately \$99,700,000.

The following table shows by class of tax the number and amount of refunds and interest allowed during the last 2 years.

Internal revenue refunds, including interest

Type of tax	Number		Amount refunded (principal and interest—thousand dollars)		Amount of interest included (thousand dollars)	
	1959	1958	1959	1958	1959	1958
Total refunds of internal revenue ¹	37,579,642	38,097,839	5,156,969	4,651,656	69,480	73,675
Corporation income and profits taxes	96,577	66,791	829,083	505,799	46,617	46,588
Individual income and employment taxes, total	36,032,736	36,609,118	4,122,110	3,947,574	19,108	23,725
Excessive prepayment income tax	35,073,009	35,528,081	3,956,326	3,777,919	6,569	7,850
Other income tax and old-age and disability insurance	930,098	1,053,867	162,203	165,953	12,449	15,791
Railroad retirement	158	158	149	383	21	2
Unemployment insurance	29,471	27,012	3,431	3,318	68	82
Estate tax	4,730	4,304	21,827	19,024	2,487	2,061
Gift tax	590	692	806	1,199	73	154
Excise taxes, total	1,435,535	1,406,601	182,366	177,360	1,096	1,129
Alcohol taxes ³	8,888	9,170	63,716	64,526	4	1
Tobacco taxes ³	2,063	2,111	8,446	6,388		(*)
Manufacturers' and retailers' excise taxes	1,410,033	1,380,056	102,703	99,512	374	363
All other excise taxes ⁴	14,551	15,264	7,502	6,934	718	764
Not otherwise classified	9,474	10,333	777	700	99	18

* Less than \$500.

¹ Figures have not been reduced to reflect reimbursements from the Federal Old-age and Survivors Insurance Trust Fund, amounting to \$83,430,000 in 1959 and \$75,465,000 in 1958, and from the Highway Trust Fund, amounting to \$96,900,000 in 1959 and \$89,913,000 in 1958.

² Net of 177,072 undeliverable checks totaling \$8,290,000.

³ Includes drawbacks and stamp redemptions.

⁴ Includes narcotics, silver, wagering tax (excise) and stamps, capital stock tax, and other excise refunds.

Excessive prepayments of individual income tax.—During the six-month period ending June 30, 1959, 34.2 million refunds were scheduled on individual income tax returns filed for the 1958 tax year. The bulk of the refunds relating to tax year 1958 were scheduled by the end of May, just 6 weeks after the filing deadline. The refunds scheduled on the tax year 1958 returns averaged \$111 per item as compared with an average of \$104 per item for the refunds issued through June 1958 on the 1957 tax year returns. The number and amount of credits allowed on tax year 1958 returns decreased 14 percent and 2 percent, respectively.

The following table shows the number and amount of refunds and credits, and interest paid as a result of excessive prepayments of tax on returns filed for the tax years 1953 through 1958 (usually received and processed by June 30 of the following year) :

Refunds and credits resulting from excessive prepayments of individual income tax

Tax year	Refunds			Credits	
	Number (thousands)	Principal (thousand dollars)	Interest (thousand dollars)	Number (thousands)	Amount (thousand dollars)
1958 ¹	34, 183	3, 777, 579	482	1, 323	539, 614
1957	35, 155	² 3, 726, 000	² 3, 192	³ 1, 828	732, 840
1956	34, 096	3, 323, 779	3, 936	⁴ 1, 602	599, 012
1955	33, 274	3, 074, 128	3, 589	1, 596	543, 501
1954	33, 138	2, 932, 261	3, 559	1, 681	573, 243
1953	31, 591	2, 739, 932	3, 879	1, 130	462, 818

¹ Figures are preliminary and reflect refunds or credits to June 30, 1959. Revised figures to Dec. 31, 1959, will appear in next year's report.

² Principal and interest for tax year 1957 are estimated.

³ Includes 248,000 returns requiring split between credit to ensuing tax year (or prior year) and current year refund.

⁴ Includes 262,000 returns requiring split between credit to ensuing tax year (or prior year) and current year refund.

Carryback allowances.—As a result of the temporary decline in business activity during calendar year 1958, there was a substantial increase in the filing of applications for tentative adjustments of prior years' income taxes to give effect to operating loss carrybacks. The increase consisted principally of filings by corporate taxpayers.

Applications adjusted in 1959 numbered 67,230, with tax reductions amounting to \$619,095,000. As compared with 1958, the number of cases handled rose by 34 percent and the dollar allowances were twice as large.

Notwithstanding the larger volume of applications filed, the required tax adjustments were made promptly and the inventory of cases under consideration was reduced by 20 percent during the year.

A comparison of the carryback applications received and adjusted in the last 2 years is shown below:

Receipt and disposal of tentative carryback applications

Status	Number		Amount (thousand dollars)			
	1959	1958	Claimed		Adjusted	
			1959	1958	1959	1958
Pending July 1	10, 336	7, 107	76, 316	43, 271	-----	-----
Applications received	65, 178	53, 514	651, 047	360, 230	-----	-----
Applications adjusted, total	67, 230	^r 50, 285	658, 744	^r 327, 184	-----	-----
Allowed	n.a.	n.a.	-----	-----	619, 095	308, 139
Disallowed	n.a.	n.a.	-----	-----	42, 465	19, 724
Pending June 30	8, 284	10, 336	68, 619	76, 316	-----	-----

^r Revised.

n.a.—Not available.

Claims for refund.—During 1959 district audit divisions closed more than 485,700 claims, an increase of about 67,000 over the preceding year's closings.

Claims activity in the individual income tax area was increased by reason of claims filed by teachers and others in connection with educational expenses. Income tax regulations issued April 5, 1958, permitted the deduction, on income tax returns for 1954 and subsequent tax years, of certain educational expenses not previously allowable. As a result, many taxpayers filed claims involving this issue.

Based on number of claims, over 89 percent of the closings involved individual income taxes and about 5 percent involved corporation income taxes, while the remaining 6 percent was spread among estate, gift, excise, and employment taxes. However, over 56 percent of the total dollar amount of claims closed involved corporate income taxes, while individual income tax claims amounted to but 32 percent.

The amount claimed was disallowed to the extent of 26 percent on individual income tax claims and 60 percent on corporation income tax claims.

Data on claims for refund closed during 1959 are reflected below:

Claims for refund closed by district audit divisions

Class of tax	Number	Amount (thousand dollars)		
		Claimed by taxpayer	Allowed	Disallowed
Total.....	485,758	415,685	210,974	204,711
Individual income tax.....	432,226	134,292	99,199	35,093
Corporation income tax.....	24,574	234,077	94,194	139,883
Estate tax.....	1,223	12,982	6,231	6,751
Gift tax.....	217	939	323	616
Excise taxes.....	16,063	30,453	9,162	21,291
Employment taxes.....	11,455	2,943	1,865	1,078

Review of overassessments exceeding \$100,000.—A total of 300 cases involving overassessments of \$373,187,163 was reported to the Joint Committee on Internal Revenue Taxation in accordance with the provisions of section 6405 of the Internal Revenue Code of 1954 which requires review by the committee of all refunds and credits of income, war profits, excess profits, estate, or gift tax exceeding \$100,000. These figures compared with 278 cases involving \$245,260,358 reported in the preceding year.

Offers in Compromise

Offer-in-compromise inventories reached an alltime low by the end of the year. This downward trend, which has been continuous since 1953, is due primarily to the emphasis which all management levels have placed on the accelerated compromise program. This program provides for better management through a more thorough understanding of the responsibilities connected with compromise functions. Its accomplishments include: (1) Developing investigative and review techniques to improve the quality of field reports; (2) providing more effective coordination between regional and district offices to maintain technical consistency in the decentralized compromise activity; and (3) emphasizing the need for specialized training of district technical personnel in basic policies and evaluation techniques.

An important administrative development during the year placed in district collection divisions the sole responsibility for processing all specific penalty offers and those delinquency penalty offers involving employment-withholding taxes. This realignment will provide a smoother workflow, more efficient and effective use of district personnel, and better managerial planning.

During the year district offices received for consideration 6,121 tax offers, 5,635 delinquency penalty offers, and 3,336 specific penalty offers. The district offices, together with the National Office's Compromise Branch and regional appellate divisions, disposed of 15,985 offers, leaving 4,797 on hand as of June 30, 1959.

Tax offers in cases in which court proceedings (except those of the Tax Court of the United States) are involved, or criminal prosecution is pending, are considered by the Chief Counsel or by the appropriate regional counsel. These offices received 311 offers, disposed of 317, and had 192 offers on hand as of June 30, 1959.

In the alcohol, tobacco, and firearms categories, the National Office's Alcohol and Tobacco Tax Division and its regional offices received 501 offers and disposed of 481, leaving a total of 85 cases on hand as of June 30, 1959.

The overall compromise workload as of June 30, 1959, consisted of 5,074 cases awaiting consideration at all Revenue Service levels.

A comparative summary of compromise cases closed in the last 2 years follows:

Offers in compromise disposed of

Type of tax or penalty	Number		Amount (thousand dollars)			
			Liabilities		Offers	
	1959	1958	1959	1958	1959	1958
Offers accepted, total.....	11, 192	14, 648	48, 718	47, 340	10, 570	12, 528
Income, profits, estate, and gift taxes.....	1, 297	1, 326	37, 447	35, 643	7, 727	9, 313
Employment and withholding taxes.....	1, 275	1, 261	6, 060	6, 007	1, 761	1, 803
Alcohol taxes.....	158	178	588	605	120	117
Other excise taxes.....	274	286	2, 459	2, 655	483	711
Delinquency penalties on all taxes.....	4, 569	6, 393	2, 164	2, 430	413	487
Specific penalties.....	3, 619	5, 204	-----	-----	66	97
Offers rejected or withdrawn, total.....	5, 591	5, 458	81, 647	77, 414	14, 719	12, 090
Income, profits, estate, and gift taxes.....	2, 225	2, 183	65, 283	64, 403	11, 738	9, 615
Employment and withholding taxes.....	1, 518	1, 316	9, 102	7, 659	1, 804	1, 544
Alcohol taxes.....	150	175	811	597	78	65
Other excise taxes.....	468	424	5, 565	4, 018	940	711
Delinquency penalties on all taxes.....	1, 196	1, 333	886	737	150	149
Specific penalties.....	34	27	-----	-----	9	6

SUPERVISION OF THE ALCOHOL AND TOBACCO INDUSTRIES

General

On September 2, 1958, Public Law 85-859 (H.R. 7125), the Excise Tax Technical Changes Act of 1958, was enacted. It incorporates the Revenue Service's recommendations for modernization of the distilled spirits provisions of the Internal Revenue Code, together with minor revisions in the wine, beer, and tobacco statutes.

A semimonthly return system for the payment of Federal taxes on alcohol and tobacco products was instituted on June 24, 1959, thus eliminating the use of stamps for this purpose. The abolition of the historic stamp system (in use since 1868) marked a significant change in the method of collecting these taxes, from the purchase of stamps before removal, to a return system, similar to the methods employed to collect most other excise taxes. This change will effect considerable savings to the Government by eliminating the cost of printing, distributing, stocking, and accounting for the stamps.

Detailed tabulations relating to the production of alcohol, distilled spirits, beer, wine, and tobacco manufactures during the fiscal year 1959 are presented in a separate Internal Revenue Service publication entitled "Statistics Relating to the Alcohol and Tobacco Industries," which may be obtained from the Superintendent of Documents, Washington 25, D.C.

Authorization of Operations

The number of permits issued during the year under the provisions of chapters 51 and 52 of the Internal Revenue Code and sections 3 and 4 of the Federal Alcohol Administration Act totaled 2,611, of which 2,353 covered operations relating to alcohol and liquors and 258 involved tobacco. Permits terminated during the year numbered 5,304 comprising 2,699 relating to alcohol and

liquors and 2,605 in the tobacco area. The last-mentioned figure includes the automatic termination of 2,478 permits of dealers in tobacco materials and 4 permits of cigarette paper and tube manufacturers, these groups having been removed from the scope of the permit system by Public Law 85-859, effective September 3, 1958. Details as to permit actions during the year are shown in tables 9-11 on pages 115 and 116.

The number of establishments qualified to engage in the production, distribution, storage, or use of alcohol and alcoholic liquors totaled 469,122 as of June 30, 1959, showing a slight increase as compared with the 463,436 establishments reported at the close of fiscal 1958. Corresponding figures for tobacco manufacturers and distributors show 3,209 qualified establishments on June 30, 1959, as compared with 3,301 a year earlier. A breakdown of these figures by class of establishment is shown in tables 7 and 8 on pages 114 and 115 of this report.

A total of 38,129 applications for approval or exemption of alcoholic beverage labels were considered in 1959, with 36,241 receiving certificates of approval, 301 found exempt from label approval, 401 disapproved, and 1,186 applications returned without action. For additional information, see table 12, page 117.

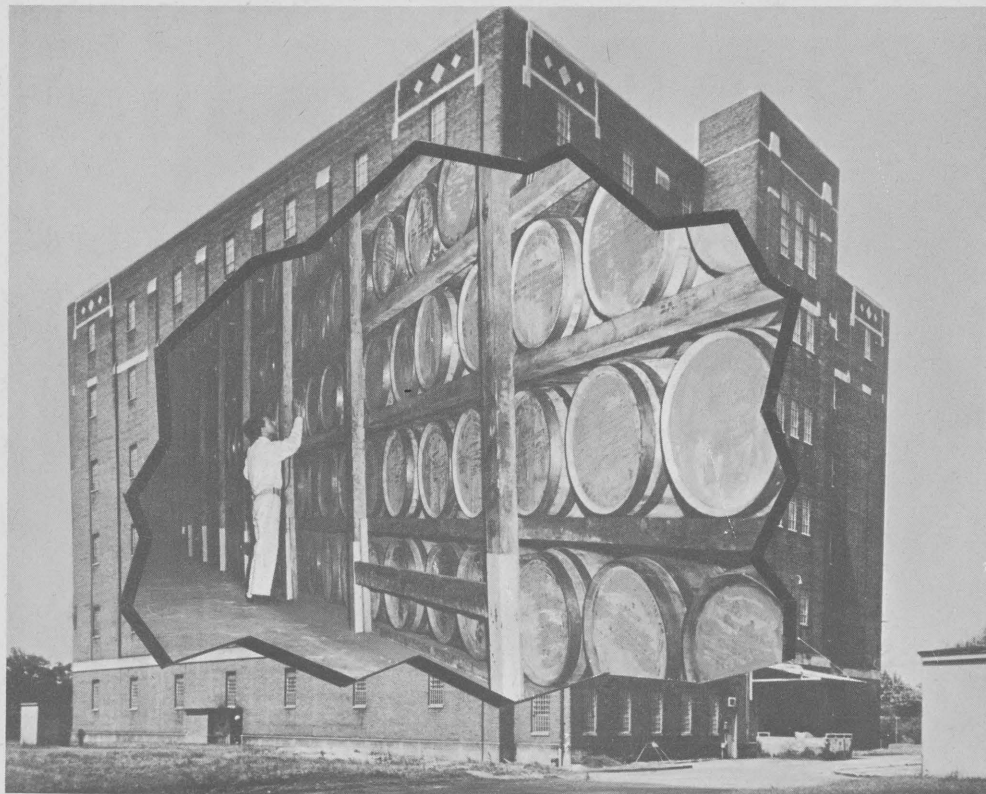
Sixty applications for approval of interlocking directorates were favorably acted upon during the year.

On-Premises Supervision

Storekeeper-gauger supervision was provided at distilleries, warehouses, denaturing and rectifying plants, bottling houses, and other facilities which accounted for the production of 494,132,066 proof-gallons of ethyl alcohol, the denaturation of 478,412,160 proof-gallons of ethyl alcohol, the warehousing of 32,746,616 proof-gallons of ethyl alcohol, the production of 260,406,618 tax-gallons of distilled spirits of various kinds, the warehousing of 888,778,713 tax-gallons of distilled spirits, the tax payment on 167,756,627 tax-gallons of distilled spirits including alcohol, the rectification of 81,511,553 proof-gallons of distilled spirits and wines, and the bottling of 193,315,347 wine-gallons of distilled spirits.

Inspection of Establishments

Inspections of establishments for the fiscal year aggregated 40,855, of which 29,703 related to plants and permittees other than dealers. During the previous fiscal year total inspections num-



Internal revenue bonded warehouse, with interior view of storage racks



National Laboratory of the Alcohol and Tobacco Tax Division, Washington, D.C.

bered 45,957, of which 33,124 related to plants and permittees other than dealers. The reduction in the number of inspections was caused primarily by a change in emphasis on certain aspects of brewery meter tests and investigation of nonbeverage drawback claims, the necessity of extensive training of field officers to implement the provisions of Public Law 85-859, and to make the return system for payment of taxes on alcohol and tobacco products effective.

During the year, the plants and permittees (other than dealers), subject to inspection and having no on-premises supervision, produced alcoholic beverages and tobacco products as follows: 90,973,768 barrels (of 31 gallons each) of beer, 165,749,699 gallons of still wines, 3,047,661 gallons of effervescent wines, 3,975,047 gallons of vermouth, and 10,954,183 gallons of special natural wines other than vermouth. Tobacco plants, also subject to inspection, produced in the 1958 calendar year 6,395,432,691 cigars, 470,067,919,673 cigarettes, and 180,067,394 pounds of other tobacco products (including smoking and plug tobacco, and snuff).

Chemical Analyses and Research

The national and regional laboratories of the Alcohol and Tobacco Tax Division received approximately 39,000 samples for examination during the year. This reflects very little change from the volume of samples received in past years, and the percentage of illicit alcohol and narcotic samples also remained about the same, 28 percent and 13 percent, respectively.

Formulas using taxpaid spirits were approved for 2,431 medicines, flavors, and foods, while 6,416 formulas and 5,210 labels were approved for products and processes using specially denatured alcohol.

Several new analytical procedures were developed and were reported in five articles published in periodicals of national circulation. A number of other procedures were improved and reported as Internal Revenue documents.

In collaboration with industry, the laboratories worked on a number of problems of mutual interest. Of most importance were testing procedures for carbon dioxide in wine and congeners in distilled spirits.

TECHNICAL SERVICES

Regulations Program

Enactment during the fiscal year of the Technical Amendments Act of 1958 (Public Law 85-866) and the Excise Tax Technical Changes Act of 1958 (Public Law 85-859) required the issuance of numerous temporary rules—pending the issuance of final regulations—to permit taxpayers to conclude necessary business transactions, make tax elections, etc. Four Treasury Decisions, providing such temporary rules, were issued under each of these acts within a few weeks following their enactment.

Three complete new regulations under the 1954 Code were published during the fiscal year, as follows:

Gift Tax Regulations (T.D. 6334) to supersede Regulations 108.

Documentary Stamp Tax Regulations (T.D. 6351) to supersede Regulations 71.

Wagering Tax Regulations (T.D. 6370) to supersede Regulations 132.

In all, 61 Treasury Decisions and 28 notices of proposed rulemaking were published during the fiscal year. In addition to the temporary rules and the new complete regulations noted above, some of the more important regulations published related to the following topics and sections of the Code:

Regulations under subchapter F, chapter 1 of the Code, relating to exempt organizations. These regulations, published in final form as Treasury Decision 6301 on July 9, 1958, and Treasury Decision 6391 on June 26, 1959, provide the regulations required under the statutory provisions which deal with general rules for exemption from tax, taxation of business income of certain exempt organizations, etc.

Regulations under section 162 of the Code, relating to the reporting and substantiation of traveling and other business expenses of employees. These regulations, published in final form as Treasury Decision 6306, on August 28, 1958, provide rules for the reporting of information on income tax returns by taxpayers who pay or incur ordinary and necessary business expenses in connection with the performance of services as an employee.

Regulations under section 6104 of the Code, relating to publicity of information required from certain exempt organizations and certain

trusts. These regulations, published in final form as Treasury Decision 6331 on November 1, 1958, provide rules relating to public inspection of applications for tax exemption.

Regulations under section 481 of the Code, relating to adjustments required by changes in method of accounting. These regulations, published in final form as Treasury Decision 6366 on February 20, 1959, provide important rules relating to transitional adjustments.

Fourteen public hearings in relation to proposed regulations were held in accordance with the provisions of the Administrative Procedure Act. Approximately 275 taxpayers or their representatives participated in these public hearings.

Alcohol and tobacco tax.—A total of 33 regulations, implementing the alcohol and tobacco tax provisions of the 1954 Code, have been issued. A new regulation, 26 CFR Part 296, "Miscellaneous Regulations Relating to Tobacco Materials, Tobacco Products, and Cigarette Papers and Tubes," was issued, and two additional tobacco regulations, 26 CFR Part 285, relating to cigarette papers and tubes, and 26 CFR Part 290, relating to the exportation of tobacco materials and products, remain to be issued.

Treasury Decisions of major import issued during the year included—

- T.D. 6307, effective September 2, 1958, which prescribed requirements regarding the extension of the bonding period on distilled spirits from 8 to 20 years; changed the conditions of certain bond forms; and removed the restriction that the bottling of gin in bond for export must be within 8 years after entry in bond. The amendment also authorized the consolidation of packages of spirits for further storage in bond.
- T.D. 6315, effective September 3, 1958, which provided procedures for the payment of amounts by the United States equal to the taxes or duties paid on losses of alcoholic liquors caused by a disaster occurring after December 31, 1954, and before September 3, 1958; and for the period on and after September 3, 1958, and not later than June 30, 1959.
- T.D. 6316, effective September 3, 1958, which provided procedures to permit continuation of the terms of existing distillers bonds to cover operations from May 1, 1959, to June 30, 1959, both dates inclusive, and for payments which might be made by the United States of amounts equal to taxes paid on beer lost, rendered unmarketable, or condemned by reason of the floods of 1951 or the hurricanes of 1954.
- T.D. 6323 and T.D. 6359, effective May 1, 1959, prescribed regulations to implement Public Law 85-323 to prevent unjust enrichment by precluding refunds to persons who have not borne the ultimate burden of the alcohol or tobacco tax involved.
- T.D. 6325, effective September 3, 1958, provided regulations relating to losses of tobacco products and cigarette papers and tubes caused by disasters occurring after December 31, 1954, and not later than September 2, 1958.

- T.D. 6392, effective September 3, 1958, provided similar regulations for disasters occurring after September 2, 1958.
- T.D. 6381, effective June 24, 1959, provided temporary regulations for the payment of taxes on beer, wine, and distilled spirits and rectified products by a semimonthly or prepayment return.
- T.D. 6382, effective June 24, 1959, similarly provided temporary regulations for the taxpayment of cigars, cigarettes, and manufactured tobacco by return on either a semimonthly or prepayment basis.

Tax Return Forms Program

Numerous changes in forms and instructions were made during the year under a continuing program seeking to improve forms to achieve more simplicity, to promote more efficient processing and audit, and provide legal accuracy. In addition, many changes were made and some additional forms were developed to reflect changes in the tax law.

A total of 236 tax return and information forms and instructions were prepared, reviewed, or revised. Some of the noteworthy changes in old forms and some of the new forms developed are as follows:

- Form 1040A was revised so as to permit its use by employees with incomes up to \$10,000 consisting of wages subject to withholding and not more than \$200 of dividends, interest, and wages not subject to withholding. Previously, the form could be used only by employees with incomes of less than \$5,000.
- Form 1120. A line for entering the amount of depreciation deducted under the new additional first-year depreciation allowance was added to the summary of schedules I and J.
- Form 1065 was revised so as to reflect adjustments in the computation of net earnings from self-employment for gain or loss from the sale or exchange of property other than capital assets.
- Form 1041. A new line (29) was added to page 1 to provide a specific entry space for the tax paid with a tentative return and tax withheld from wages and salaries of a decedent.
- Form 1120S, U.S. Small Business Corporation Return of Income. This is a new form required to implement subchapter S of chapter 1 of the Code, as added by the Technical Amendments Act of 1958. Subchapter S permits a "small business corporation" to elect not to be subject to the corporate income tax. If the election is made, the corporate income is taxed to the shareholders whether or not distributed. Form 1120S is not a tax return form inasmuch as it does not provide for the computation of any tax; rather, it is a return of income and includes such information as items of gross income and allowable deductions and the supporting schedules, names and addresses of shareholders during the year, number of shares owned by each shareholder and amounts of money and property distributed to each, and beginning and ending balance sheets.
- Form 2553, Election by Small Business Corporation. This is also a new form required to implement subchapter S.

Form 2555, Statement to Support Exclusion of Income Earned Abroad. This is a new form required to implement section 72 of the Technical Amendments Act of 1958, which amended the Code to provide that the exclusion for income earned abroad is not to apply for purposes of determining whether a taxpayer is required to file an income tax return.

Numerous suggestions for improvements in returns and instructions, received from Revenue Service personnel, taxpayers, professional groups, and other sources, were analyzed and many were adopted.

Tax Rulings

During the year, 38,596 requests from taxpayers for rulings and requests from field offices of the Service for technical advice were processed. The number processed included 33,670 requests which had been received from taxpayers or their representatives and 4,926 requests received from field offices. At the close of the fiscal year, 10,037 requests for rulings and technical advice were on hand to be processed.

In addition to the processing of rulings and technical advice, 15,881 technical conferences were held with taxpayers or their representatives.

An analysis of the rulings and technical advice processed, by subject matter, follows:

Requests for tax rulings and technical advice processed

Subject	Total	Taxpayers' requests	Field requests
Total	38,596	33,670	4,926
Income and excess profits taxes	30,652	28,058	2,594
Employment and self-employment taxes	1,147	857	290
Estate and gift taxes	801	622	179
Alcohol and tobacco taxes	1,917	903	1,014
Other excise taxes	3,256	2,560	696
Engineering questions (depreciation, etc.)	823	670	153

Determination Letters

District audit divisions issue determination letters in cases where a reply can be based on clearly established rulings and regulations. Rulings requested of district offices involving new or complex issues are referred to the National Office for consideration. During 1959 the audit divisions issued 12,716 determination

letters involving pension trust plans and exempt organizations. The following table reflects the activity in these areas:

Pension trust and exempt organization determination letters issued

Item	Pension trust plans			Exempt organizations
	Profit-sharing	Pension or annuity	Stock bonus	
Initial qualifications:				
Approved.....	3, 097	3, 834	24	4, 920
Employees participating under plan.....	361, 697	448, 325	2, 335	
Total number employed.....	631, 462	1, 088, 157	4, 398	
Disapproved.....	30	33	2	317
Terminations.....	204	253	2	
Closed without issuance of determination letter.....	108	118	3	1, 557

Under established procedure taxpayers may appeal adverse field determinations relating to pension trust and profit-sharing plans. During the year, 31 appeals were considered by the National Office. Of these, 16 appeals were decided in favor of the taxpayer; 12 decisions were against the taxpayer, and 3 decisions were partially in favor of the taxpayer.

Technical Publication Program

Technical Information Release No. 164, issued on June 16, 1959, announced a new policy designed to promote prompt publication of rulings in the Internal Revenue Bulletin. The previous policy was to have all rulings published in the Bulletin reviewed and concurred in by the Chief Counsel. Under the new policy, Revenue Rulings will not be referred to the Office of the Chief Counsel unless they come under standards governing the referral of individual taxpayer letter rulings. This will not affect the status of Revenue Rulings as official pronouncements.

"Index-Digest Supplement to Cumulative Bulletins 1953-1956" was issued as Publication No. 401 as a research and reference aid to promote a systematic and reasonably simple location of the rulings, procedures, decisions, and other authorities published in the Cumulative Bulletins for 1953-56, inclusive. It is a consolidation in digest form and by topical arrangement of the specific issues and principles covered in the matters so published during those years.

The number of rulings published in the Internal Revenue Bulletin decreased by 21 percent during 1959. The principal decline was in the number of income tax rulings published which totaled 224 as compared with a peak total of 342 in 1958.

A comparison of the rulings published in the last 2 fiscal years follows:

Revenue rulings and procedures published

Type	1959	1958
Total	546	687
Income tax	224	342
Employment taxes	21	35
Estate and gift taxes	10	13
Alcohol and tobacco taxes	71	71
Other excise taxes	191	196
Excess profits tax		2
Firearms	4	2
Engineering issues	6	10
Administrative and miscellaneous	19	16

Among the more significant Revenue Rulings and Revenue Procedures published during the year were the following:

Generally, contracts and claims to receive indefinite amounts, such as those received in exchange for stock in liquidation of a corporation, must be valued for Federal income tax purposes (Rev. Rul. 58-402, C.B. 1958-2, 15).

An employee, governmental or otherwise, receiving a fixed mileage allowance or a per diem allowance in lieu of subsistence at rates not in excess of 125 percent of the maximum mileage rates or per diem rates authorized to be paid by the Federal Government in the locality in which the travel is performed is considered, for purposes of section 1.162-17(b) of the Income Tax Regulations, as having been required to account to his employer for his business travel and transportation expenses (Rev. Rul. 58-453, C.B. 1958-2, 67). He therefore is not normally required to itemize such expenses in detail on his tax return.

A ruling was published which discusses the tax consequences of the repayment by stockholders to a corporation of the excess of Federal Housing Administration mortgage loan proceeds over the cost of property covered by the loan which excess had previously been distributed by the corporation to its stockholders (Rev. Rul. 58-456, C.B. 1958-2, 415).

Payments as commissions by a marine supplier to masters, or other personnel, of "tramp steamers" of foreign registry when normal, usual, and customary in the industry, appropriate and helpful in obtaining business, and with the knowledge and consent of the shipowner, constitute ordinary and necessary business expenses. Such payments are subject to the withholding of income tax under section 1441 of the Code (Rev. Rul. 58-479, C.B. 1958-2, 60).

A timely filed claim for refund of amounts erroneously paid as manufacturers' excise tax is not rendered invalid because the required written consents of ultimate purchasers were filed after the expiration of the statutory period of limitations (Rev. Rul. 58-563, C.B. 1958-2, 892).

The Service compiled and published a list of the categories of tires that are subject to the manufacturers' excise tax, indicating whether they are taxable at 8 cents a pound or at 5 cents a pound (Rev. Rul. 58-583, C.B. 1958-2, 776).

The Service set forth the criteria or tests for determining whether an organization qualifies for exemption from Federal income tax under section 501(a) of the Code as a club organized for pleasure, recreation, and other nonprofitable purposes as described in section 501(c)(7) of the Code (Rev. Rul. 58-589, C.B. 1958-2, 266).

The retailers' excise tax on jewelry and related items applies to transactions involving merchandise obtained by fraudulent uses of charge plates or through the use of fictitious names, addresses, and forged credentials (Rev. Rul. 58-608, C.B. 1958-2, 748).

Standards of conduct, extent of authority, and circumstances and conditions governing the recognition of unenrolled preparers of Federal tax returns are prescribed pursuant to section 10.7(a)(7) of Department Circular No. 230 (Rev. Proc. 59-3, IRB 1959-7, 29).

The value of a turkey, ham, or other item of merchandise of similar nominal value, distributed by an employer to an employee at Christmas, or other comparable holiday, does not constitute "wages" for employment tax purposes and need not be treated as income by the employee. However, the cost of such items is deductible by the employer (Rev. Rul. 59-58, IRB 1959-8, 7).

For purposes of the statutory provisions relating to involuntary conversions involving the "destruction" of property, it is not necessary that the taxpayer satisfy the test of "suddenness" if the causes of destruction otherwise fall within the general concept of a casualty. This modified the position the Service had taken in two previously published rulings (Rev. Rul. 59-102, IRB 1959-13, 20).

For the purposes of the "sick pay" exclusion under section 105(d) of the Code, "sickness" exists from commencement of labor to the termination of the period during which a woman is physically incapacitated as a result of childbirth or miscarriage, regardless of the place of delivery. Wages, or payments in lieu of wages, received by a taxpayer during such a period of incapacity are excludable from gross income in the manner and to the extent provided under section 105(d) of the Code (Rev. Rul. 59-170, IRB 1959-20, 8).

Where a corporation purchases life insurance on the lives of its stockholders, the proceeds of which are to be used in payment for the stock of the stockholder, the premiums on such insurance do not constitute income to the stockholder, even though the stockholder has the right to designate a beneficiary, provided the right of the beneficiary to receive the proceeds is conditioned upon the transfer of the corporate stock to the corporation (Rev. Rul. 59-184, IRB 1959-21, 8).

Closing Agreement Cases

Closing agreements involving the tax status of prospective transactions are considered by the Tax Rulings Division of the National Office. (For information on cases involving completed transactions, see p. 29.) Two cases pending at the beginning of the year were completed, but no new cases were received during the year.

Civil Advisory Legal Services

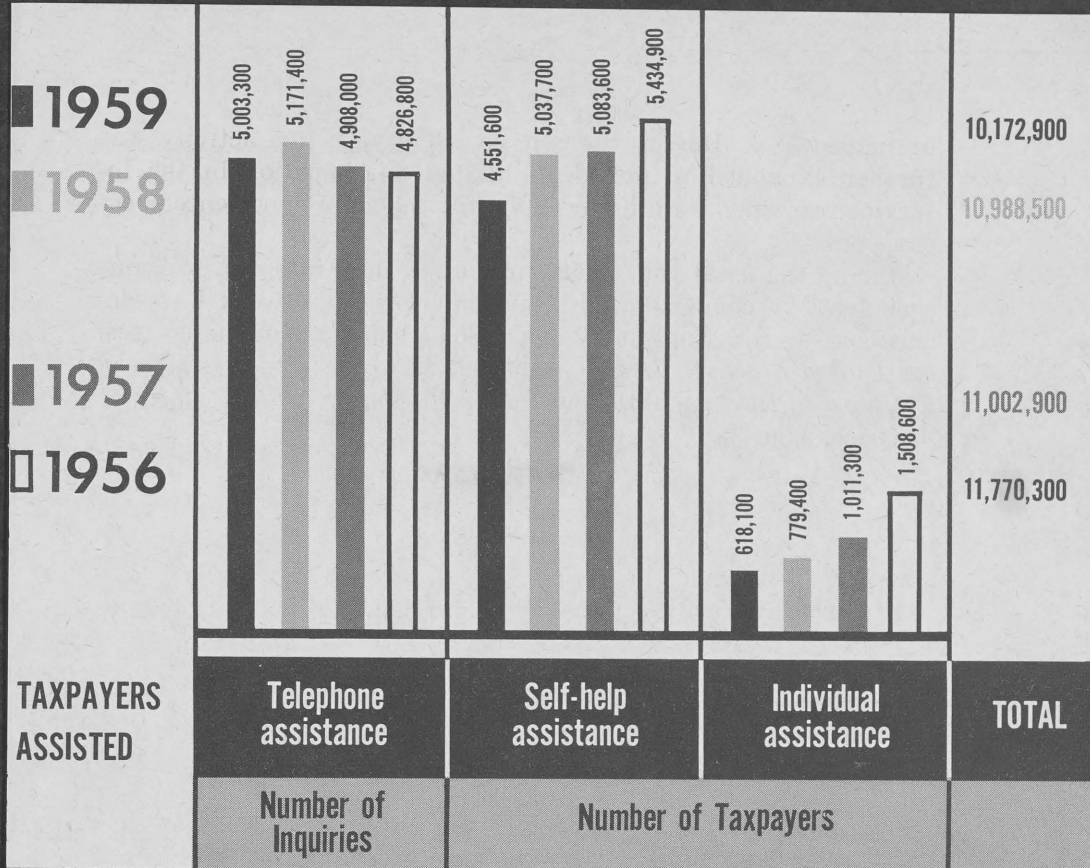
Five years have now elapsed since the commencement of the reorganization program under which there was decentralized to the regional counsels much of the legal work connected with the functions of the district directors' offices. This period has witnessed an increase in cases received from approximately 7,000 in fiscal 1955 to nearly 11,000 for the current fiscal year. Despite this increase in case receipts, the civil advisory lawyers have been able to maintain a sufficient disposal rate so that the volume of pending cases has not been increased but has in fact declined from nearly 6,000 at the beginning of fiscal 1955 to slightly more than 4,800 at the end of the current fiscal year. (For a statistical report of the cases received and disposed of during the current fiscal year, see tables 23, 24, and 25 on pp. 131 and 132.)

Along with this substantial increase in case receipts, the offices of the regional counsel have steadily increased their less formal assistance to the district directors' offices in daily contact, both by telephone and in person, and through the continuing visitation program under which the lawyers who handle the civil advisory cases make periodic visits to the district directors' offices within their respective regions. This visitation program provides a means for establishing direct personal contact between the administrative personnel in the district directors' offices and the civil advisory lawyers in the regional counsels' offices. Through question-and-answer sessions during these periodic visits, troublesome problems are threshed out which would, under ordinary procedures, require extensive written correspondence back and forth between the respective offices.

Again, as in 1958, the civil advisory lawyers in the regional counsels' offices participated in the expanded inservice training program for revenue officers. The lectures given by these lawyers covered the problems involved in proceedings under the Bankruptcy Act, receiverships and other insolvencies, suits to quiet title and for foreclosure by mortgagees, applications for discharge of property from the effect of Federal tax liens, and requests for release of such liens. These lectures also dealt with offers in compromise, decedent estate cases, suits to reduce tax claims to judgment and enforce Federal tax liens, suits for failure to honor a levy, suits to establish transferee liability and set aside fraudulent transfers, injunctions, subpoenas and summonses, and in general those matters dealing with the collection of taxes by administrative procedures as well as those matters relating to instances where the ordinary administrative processes may be ineffectual

or inadequate. During the current fiscal year this activity was further expanded to include a limited participation in the in-service refresher training program for the more experienced revenue officers.

During the fiscal year 1959 three cases pertaining to problems considered in connection with civil advisory legal work were decided by the U.S. Supreme Court. For a summary of these cases, see *United States v. Hulley*, page 30, *United States v. Embassy Restaurant, Inc.*, page 31, and *Edgar B. Sims v. United States of America*, page 32.



AIDS FOR TAXPAYERS

Direct Taxpayer Assistance

Each year more and more taxpayers are preparing their tax returns without help from the Revenue Service. This has been the trend for the past 4 years despite an increase in the number of returns filed.

During the 1959 filing period, 10,173,000 persons received assistance compared with 10,988,000 in 1958. The number of taxpayers requiring individual assistance decreased by 21 percent, from 779,000 in 1958 to 618,000 in 1959, while the number receiving "self-help" showed a 10 percent drop from 5,038,000 to 4,552,000. The number of inquiries handled by telephone, the most economical method, decreased only about 4 percent, from 5,171,000 to 5,003,000.

Factors contributing to the self-sufficiency of taxpayers in preparing returns include the educational programs sponsored by the Revenue Service in secondary schools and colleges, an improved series of tax guides and related publications, and the expanded use of the simplified card return, Form 1040A.

The average number of taxpayers assisted per man-day was increased from 90.9 in 1958 to 96.4 in 1959. This increase resulted partially from wider use of self-help and telephone assistance and partially from better utilization of the time available. Most offices designated certain days of the week for taxpayer assistance in order to minimize time lost due to slack periods.

Time spent on the program declined from 144,012 man-days in 1958 to 124,025 man-days in 1959. The decrease in man-days was 19,987, or 14 percent.

The program cost amounted to \$2,896,318, which is 11 percent less than the cost in 1958.

Taxpayer Publications

Further improvements were made in the Service's Taxpayer Assistance Publications.

Your Federal Income Tax, IRS Publication No. 17, is an authoritative and comprehensive manual on Federal income taxes for individual taxpayers. The booklet contains 128 pages of simplified explanations and examples of thousands of problems with which taxpayers are confronted when they prepare their income tax returns. Some 180 new rules resulting from changes in law or administrative rulings were discussed and illustrated. Rearrangement of material and an expanded index added to its utility as a ready-reference book. More than 612,000 copies were sold, approximately 12,000 more than the previous year.

Tax Guide for Small Business, IRS Publication No. 334, a 128-page booklet, explains and answers most of the Federal tax problems confronting the small business and professional man. Although the 1959 edition was written primarily for use in preparing the 1958 returns, it is also designed for use as a ready reference all during the year. It includes detailed explanations of the tax results of the establishment, operation, and disposition of a business, whether it is a proprietorship, partnership, or a corporation. The explanations cover income, excise, employment, self-employment, and withholding taxes. A Federal Tax Calendar for 1959 and a detailed Federal Tax Check List (of especial interest to new business) are also included. Approximately 200,000 copies were sold, about the same as the previous year.

Farmers' Tax Guide, IRS Publication No. 225, a 64-page pamphlet designed especially for farmers, was revised and improved as the result of suggestions received from readers, and discussions with representatives of the Agricultural Extension Service of the U.S. Department of Agriculture. One million copies of this booklet were distributed to farmers.

Tax Guide for U.S. Citizens Abroad, IRS Publication No. 54, was revised to include the new rules applicable to citizens residing abroad which resulted from changes in law. This 24-page booklet tells the U.S. citizen who resides or works abroad the extent to which he has to pay Federal taxes on his income. Coverage includes discussions of pensions and annuities, dependents, royalties, foreign tax problems peculiar to the marital relationship, and estate and gift taxes, in addition to a comprehensive explanation of the Federal income tax laws as they relate to such citizens. Nearly half a million copies of this edition were distributed through consulates and other Government offices to U.S. citizens abroad. This is an increase of more than 400,000 over the previous year.

Motor fuel tax pamphlets.—These publications were revised and issued to explain the Highway Revenue Act of 1956 as it relates to—

“Federal Use Tax on Highway Motor Vehicles” (IRS Publication No. 349)

“Federal Gas Tax Refund for Nonhighway and Transit Users” (IRS Publication No. 378)

“Farmer's Gas Tax Refund” (IRS Publication No. 308)

Other publications.—Thirty-one other publications were printed and distributed free to taxpayers. These publications contained modified versions of separate chapters of *Your Federal Income Tax* and *Tax Guide for Small Business*. In some instances, material from both booklets was combined to present a more comprehensive discussion of the subject matter. In other instances, two or more related chapters or parts of chapters were included in a single publication. Some of the more important publications include—

Filing Your Return	Excise Taxes
What Is Income	Net Operating Loss
Sick Pay, Disability Pay, etc.	Employee and Travel Expenses
Personal Exemptions and Dependents	Entertainment for Business
Selling Your Home	Casualty and Theft Losses
Medical and Dental Expenses	Installment and Deferred Payment Sales
Depreciation, Amortization, Depletion	Tax Withholding and Estimated Tax
What Are Business Expenses	

Information Program

The public information program to improve taxpayer understanding of Federal tax laws and to provide filing information for taxpayers was carried out in several ways.

"Since the Beginning of Time," a public service documentary film, was produced and distributed for bookings through Revenue Service field offices.

Showings included 201 telecasts before an estimated audience of more than 40 million and over 1,000 other bookings before schools, civic groups, and luncheon clubs with an estimated audience of 35,000. Advance bookings extending to the next filing period have been made with district offices.

The film was selected for later showing at the International Film Festival in Edinburgh, Scotland. Another honor was its selection by the television stations of the country as one of the 50 best films in the news and documentary category.

During the year, approximately 175 releases were issued to news media. These releases contained national office policy statements, announcements of personnel changes and other administrative matters, actions on technical matters, and items of interest for release by field offices.

In addition to press releases, the Public Information Division answered inquiries and acted as a clearinghouse for writers working on special articles. One of the results of this function was the appearance of several articles on enforcement activities in national magazines.

The annual public information kit containing releases, scripts, radio and TV spot announcements, and other material for use during the filing period was prepared and distributed to field offices.

A sample survey by the National Association of Broadcasters of free public service broadcast and telecast time during the 1958 filing period revealed that Revenue Service spot announcements received the second greatest amount of time of all organizations, and the highest amount of time of any Government agency.

In its sixth year, the "Teaching Taxes" program of student handbooks, teacher's guides, and other teaching aids was used in 22,308 high schools and colleges. Approximately 2,648,000 students received this tax instruction under 72,000 teachers.

Schools and classes in adult education, other Federal agencies, U.S. Armed Forces, industry, veterans' hospitals, and even prisons are using these materials free of charge.

INTERNATIONAL ACTIVITIES

International Operations

Responsibility for administering the internal revenue laws in areas of the world outside the United States is centralized in the International Operations Division. Through this Division, the Revenue Service devotes attention to the special tax problems in this area and endeavors to raise the level of voluntary compliance among U.S. taxpayers residing abroad.

The Division has permanent foreign posts at Paris, France; Ottawa, Canada; Manila, Philippines; and London, England, with one or two technical employees assigned to each post. A field office in Puerto Rico collects social security taxes in Puerto Rico and the Virgin Islands, and performs other Internal Revenue functions to the extent applicable in Puerto Rico. The bulk of the work of the Division is conducted by correspondence from Washington or where necessary by temporary visits to foreign countries by agents assigned to Washington. The Division also secures a substantial amount of information from foreign countries for other offices of the Internal Revenue Service.

Since the establishment of the Division in 1955, international tax activities have been transferred to the Division as rapidly as they could effectively be absorbed within planning, recruiting, and budgetary limitations. During the past year this assimilation of foreign tax work was nearly completed. Over 10,000 delinquent tax accounts with foreign addresses were transferred to the Division from district offices for specialized collection action. Responsibility was assumed by the Division during the year for certifying compliance with the death duty provisions of the tax treaties, and exchanging estate information with foreign tax treaty countries.

Compliance with U.S. tax laws by U.S. citizens residing abroad was facilitated by the enactment of the Technical Amendments Act of 1958 (Public Law 85-866). This law requires U.S. citizens residing in foreign countries to file U.S. tax returns and report all of their income, including earned income subject to exclusion

under section 911 of the Internal Revenue Code, even though no tax may be due. Form 2555 was developed as an attachment to individual income tax returns to facilitate the reporting of income excluded under section 911. A comprehensive information program was conducted to notify U.S. citizens residing in foreign countries of the change in income tax return filing requirements under the new law.

International Tax Conventions

Belgium.—The Senate ratified a supplementary convention between the United States and Belgium which will extend the United States-Belgium convention to the Belgian Congo and the Trust Territory of Ruanda-Urundi. For technical reasons, Belgium had not ratified the convention as of the end of the fiscal year.

Pakistan.—On May 21, 1959, instruments of ratification of the income tax convention between the United States and Pakistan were exchanged, thus bringing the tax convention with that country into effect for taxable years beginning on or after January 1, 1959.

United Kingdom.—A supplementary protocol, with respect to the tax treatment of royalties, amending the existing tax convention with the United Kingdom, came into force January 1, 1959. That convention, as thus amended, was extended, with certain modifications, to 15 United Kingdom oversea territories, also effective January 1, 1959. Five other oversea territories did not qualify, as of January 1, 1959, due to certain internal procedures in such territories not having been completed as of the end of the calendar year 1958.

Norway.—A supplementary convention with Norway was submitted to the Senate in August 1958 and is now pending before that body.

General.—Extended discussions with a number of countries took place during the year, resulting in texts of proposed conventions which are in various stages of development.

Foreign visitors.—There is continuing worldwide interest in the study of the tax laws and tax administration methods of the United States. The International Tax Relations Division was host to approximately 140 officials from 43 countries during the fiscal year for varying periods of time.

LEGISLATIVE DEVELOPMENTS

Legislative Preparations

H.R. 10, a bill to encourage the establishment of voluntary pension plans by self-employed individuals, was reported out on February 24, 1959, by the House Ways and Means Committee and was passed by the House of Representatives on March 16, 1959. The Senate Finance Committee held some hearings before the close of the fiscal year and hearings were scheduled to be continued.

H.R. 7086, to extend the Renegotiation Act of 1951, was acted upon by both Houses of the Congress and a conference report on the bill was pending at the close of the fiscal year.

Some other bills of lesser importance received active consideration by the Congress and action on these bills was in various stages of completion at the close of the year.

Revenue Service representatives attended public hearings and executive sessions held by the committees in connection with this pending legislation as well as the legislation enacted as set forth below. They also performed services in connection with the drafting of these bills and the related committee reports.

During the year, 35 reports on bills were prepared and forwarded to the office of the Assistant to the Secretary. Information was also furnished to that office informally in instances where time did not permit the preparation of a formal report. In addition, the Revenue Service carried out its own research and study projects to develop information about tax administrative problems, tax loopholes, and tax inequities. It considered and evaluated suggestions submitted by taxpayers, including Members of Congress.

Legislation Enacted

On September 2, 1958, H.R. 7125 (85th Cong.), the Excise Tax Technical Changes Act of 1958, was enacted. This law makes a technical revision of the excise tax and the alcohol and tobacco tax provisions of the Code. It also makes numerous substantive changes in these provisions (Public Law 85-859).

H.R. 8381 (85th Cong.), Technical Amendments Act of 1958, was also enacted on September 2, 1958. This law eliminates many substantive unintended benefits and hardships in the existing income, estate, and gift tax provisions of the Code and removes many technical errors and ambiguities (Public Law 85-866).

H.R. 13549 (85th Cong.), the Social Security Amendments of 1958, was enacted on August 28, 1958. This enactment increases the rates of the self-employment income tax and the FICA tax on employees and employers effective for taxable years beginning after December 31, 1958. It also increases the tax base for these taxes from \$4,200 to \$4,800 effective after 1958 (Public Law 85-840).

On June 25, 1959, H.R. 4245 (86th Cong.) was enacted, providing a permanent formula for the taxation of life insurance companies (Public Law 86-69).

H.R. 7523 (86th Cong.), the Tax Rate Extension Act of 1959, was enacted on June 30, 1959. This act extends to July 1, 1960, the present corporation income tax rate and the rates of certain excise taxes which were scheduled to be reduced as of July 1, 1959. It also provides for reduction of the tax on transportation of persons from 10 percent to 5 percent effective July 1, 1960, and for termination of the tax on general telephone service effective July 1, 1960 (Public Law 86-75).

Thirteen other bills which have some effect on the Federal tax statutes were enacted, the following being of particular interest:

Public Law 85-595 amended title 18 of the United States Code to permit a defendant, in a prosecution for an offense described in section 7201 or 7206 of the Internal Revenue Code and involving use of the mails, to elect to be tried in the judicial district in which he resided at the time the alleged offense was committed.

Public Law 85-920 amended section 1402(a) of title 28 of the United States Code to set up express rules for determining venue in suits by corporations against the United States for refunds of taxes.

Public Law 85-930 extended the Renegotiation Act of 1951 from its expiration date of December 31, 1958, to June 30, 1959.

Public Law 86-28 amended the Internal Revenue Code to increase the rate of the railroad retirement tax on employees, employee representatives, and employers effective with respect to compensation paid on or after June 1, 1959, for services rendered on or after such date.

Public Law 86-70 made certain amendments to the Internal Revenue Code which were necessitated by the admission of Alaska to the Union.

The Revenue Service formulated and carried out plans for the implementation of the legislation that was enacted. These plans included the issuance of statements to the public, circulars, and regulations, and the revision of tax forms.

INTERNAL CONTROLS

Internal Audit

The internal audit program is designed to promote efficient administration. All phases of Revenue Service work are subject to audit and internal audit coverage of all major field activities is required at least once each year. Utilizing recognized sampling techniques, the program gives greatest attention to those organizational segments which are most closely connected with the collection of tax revenues and the enforcement of tax laws.

The following summary covers the regular internal audit activity for the fiscal year 1959:

Internal audit activity

Offices or divisions audited	Subject to audit	In process July 1, 1958	Started	Completed	In process June 30, 1959
Grand total	255	41	255	267	29
Regional offices, total	63	15	59	68	6
Regional counsels' offices	9	3	8	11	-----
Regional commissioners' offices:					
Collection	9	1	9	10	-----
Audit	9	-----	9	9	-----
Intelligence	9	2	8	9	1
Alcohol and tobacco tax	9	3	9	10	2
Appellate	9	2	9	11	-----
Administrative	9	4	7	8	3
District directors' divisions, total	189	25	194	196	23
Collection	64	10	65	65	10
Audit	64	11	66	68	9
Intelligence	61	4	63	63	4
Service centers	3	1	2	3	-----

In addition to these regular internal audits, an internal audit of the International Operations Division was in process at the end of the year.

Internal Security

During the fiscal year regional inspectors gave increased emphasis to on-the-job training of Internal Security inspectors. The National Office distributed to regional inspectors comprehensive

training material pertaining to criminal investigative procedures and techniques. With respect to formalized training, 12 Internal Security inspectors successfully completed the comprehensive course conducted by the Treasury Law Enforcement School. Three Internal Security inspectors completed the Treasury Technical School course.

There were 4,136 personnel investigations closed during fiscal year 1959. In addition, police checks were conducted on 4,135 employees who served in temporary appointments for 90 days or less. The large increase in the police check cases over the preceding fiscal year (2,748 such cases in fiscal year 1958) was due to the hiring of many more temporary employees in connection with the Service's efforts to facilitate the processing of tax returns and remittances during the filing period. Inspection also completed 126 formal tort claim investigations of motor vehicle accidents and other accidents involving personal injuries to non-Federal employees in connection with Internal Revenue Service activities. The overall dropoff in investigations completed in fiscal year 1959 was caused by a very low attrition rate within the Service, coupled with a cutback in the recruitment and hiring of new permanent employees due to budget limitations. The decrease in investigations conducted resulted in a corresponding decrease in the number of disciplinary actions taken for the year.

A comparison of personnel investigation cases in the past 2 years follows:

Personnel investigations and disciplinary actions

Type of investigation and action	1959	1958
Personnel investigations		
Number of cases closed, total	4,136	6,007
Character and security investigations	2,462	3,986
Conduct investigations	607	610
Special inquiries	1,067	1,411
Actions taken as a result of personnel investigations		
Disciplinary actions, total	523	719
Separations, total ¹	189	260
Bribery, extortion, or collusion	5	1
Embezzlement or theft of Government funds or property	21	9
Failure of employee to pay proper tax	13	14
Falsification or distortion of Government reports, records, etc.	50	83
Unauthorized outside activity	5	14
Failure to discharge duties properly	18	13
Refusal to cooperate	1	3
Divulgence of confidential information	5	5
Acceptance of fees or gratuities	3	7
Personal and other misconduct	68	111
Suspensions from duty and pay	31	25
Reprimands, warnings, reassignments, transfers, or demotions	303	434
Nondisciplinary actions	3,613	5,288

¹ Includes resignations, retirements, or other separations while employees were under investigation or before administrative decision was made on disciplinary action where investigation disclosed derogatory information.

MANAGEMENT ACTIVITIES

Personnel

Emphasis during the year was on (1) evaluating progress made thus far, (2) improving procedures and decentralizing additional authorities in the interests of efficiency and economy, and (3) maintaining and extending the "Blue Ribbon" career service program. For the fourth consecutive year the Revenue Service continued the successful operation of its executive development training program. Participants in this program, carefully selected for their executive potential, are assigned to the position of assistant district director or other key positions in the Revenue Service upon completion of a 6-month training course. During the year, a study was started to develop a plan to broaden the program with a view toward covering various levels of supervision leading to key executive positions.

New recruiting sources for employees with good potential for advancement in semitechnical Service occupations were made possible through development and negotiation with the Civil Service Commission of a qualification standard which permits recruiting, at the GS-4 level, graduates of junior and business colleges and technical accounting schools. This eliminates dependence upon clerical registers which generally provide applicants possessing much lower potential for success in these occupations.

A new development in college recruitment was the statutory authorization for recruiting superior college students at the GS-7 grade level upon graduation. Well over one-half of the approximately 600 trainees recruited annually to meet Service needs for technical personnel will be hired at the GS-7 grade level.

Service-wide promotion guidelines were issued to implement the Civil Service Commission's Federal merit promotion program required to be placed in operation by January 1, 1959. It was already the policy of the Service to make promotions based upon merit, but the promotion plans issued under the new guidelines by all regions and the National Office require a more formal appli-

cation and documentation of merit principles in the selection of employees for promotion.

Regional Commissioners of Internal Revenue were authorized to approve additional personnel actions. They now have authority to take action on all positions in district offices, with the exception of those pertaining to district directors and assistant district directors.

As an essential part of the policy to decentralize authority, the Administrative Assistant to the Commissioner was delegated the authority to make decisions and take final action for the Revenue Service in grievances, appeals, suitability, and disciplinary cases involving employees in positions for which the Administrative Assistant has personnel action authority.

Concerted effort was continued in identifying and rewarding employees whose performance of work was outstanding. During the year, 674 employees were recommended for outstanding performance ratings of which 399, or 59 percent, were approved. This was a substantial increase in the number of recommendations and approvals over the previous 2 years. There were 282 outstanding performance ratings approved in 1957 and 96 approved in 1956.

A Service-wide survey was conducted to determine the status of employee and employee group relations with management. Field reports revealed a reasonably good employee-management relations program throughout the Service and highlighted the following: (a) Top management officials are providing positive leadership for improvement of this program, (b) excellent relationships exist with employee organization representatives, (c) established procedures are being used for handling grievances and appeals, (d) the incentive awards and suggestion programs have made excellent progress this year, and (e) adequate channels of communication exist between employees and management.

A post retirement program was inaugurated during the year. A retiree emblem was designed and is given to retirees having at least 10 years of Revenue Service employment. The Commissioner's Letter which contains IRS items of general interest is mailed to retirees for a reasonable period of time. Also, a retirement planning pamphlet has been published for the purpose of making available to employees information which may be helpful in their timely and orderly preparation for retirement.

The incentive awards program contributed materially to management improvement and employee morale. Employee recognition for superior work accomplishment increased more than 25 percent over the same period a year ago.

The following table shows the participation in the program during the last 2 years:

Incentive awards program

Item	1959	1958
Suggestions received	4,453	5,110
Suggestions adopted	1,118	1,235
Superior work performance awards	1,075	859
Special acts and services awards	78	89

The preparation of position classification guides and standards continued to receive primary attention. Guides were issued covering several large groups of employees, including internal revenue agents, revenue officers, and most office employees in district collection divisions. Emphasis has accordingly been shifted to smaller specialized groups of employees in order to assure that their grades are in line with the grades established for the large number of employees already covered.

The basic purposes of these standards and descriptions are to define promotional ladders, maintain grade equity among various positions, eliminate unnecessary paperwork, facilitate assignment of work in accordance with management concepts, and help in the recruitment and retention of well-qualified people.

The number of internal revenue employees on the rolls at the close of 1959 totaled 50,200 as compared with 50,816 at the close of 1958. A comparison by principal categories is shown in the following summary:

Personnel summary

Location and type	Man-years realized		Number on rolls at close of year	
	1959	1958	1959	1958
Service, total	51,226	52,516	50,200	50,816
Permanent	49,284	50,849	47,972	49,834
Temporary	1,942	1,667	2,228	982
National Office	2,969	2,959	2,633	2,638
Field service, total ¹	48,257	49,557	47,567	48,178
Collection, total	23,326	23,948	23,111	23,038
Revenue officers	5,344	5,693	5,172	5,476
Returns examiners	1,604	1,525	2,062	1,604
Other	16,378	16,730	15,877	15,958
Audit, total	15,479	16,123	15,099	15,756
Revenue agents	10,429	10,822	10,171	10,510
Office auditors	2,101	2,129	2,003	2,095
Other	2,949	3,172	2,925	3,151
Intelligence, total	1,939	2,015	1,914	1,968
Special agents	1,445	1,504	1,423	1,470
Other	494	511	491	498
Alcohol and tobacco tax, total	2,944	3,068	2,897	3,005
Investigators	901	936	884	912
Inspectors	421	446	411	438
Storekeeper-gaugers	749	802	730	771
Other	873	884	872	884
Appellate, total	1,294	1,162	1,354	1,191
Technical advisers	587	507	625	533
Other	707	655	729	658
Administration	2,192	2,183	2,125	2,142
Regional Counsel	656	641	641	654
Inspection	427	417	426	424
Enforcement personnel included above ²	22,994	23,857	22,856	23,276

¹ Includes International Operations Division.

² Includes revenue officers, returns examiners, revenue agents, office auditors, special agents, and alcohol and tobacco tax investigators, inspectors, and storekeeper-gaugers.

Training

Enactment of the Government Employees Training Act (Public Law 85-507) on July 7, 1958, greatly facilitated administration of the training program and opened new avenues for strengthening the program to achieve greater operating effectiveness and economy.

A new training program for special agents was introduced through a series of preview seminars attended by field supervisory personnel. The new program will provide classroom instruction

in tax law, procedures, and investigative techniques for newly appointed agents as well as for incumbents. A handbook for special agents was prepared as an integral part of the program.

Further progress was made in implementing the audit training program. Approximately 1,000 internal revenue agents were trained in the new 6 weeks' "Advanced Agent Training Program." Field instructors and trainees also met for special training in the new 4 weeks' course in "Pension Trust and Profit Sharing Plans."

In the collection area, the survey committee recommendations of 1957 were completed. Approximately 2,000 revenue officers were given a new 1-week refresher course.

In addition to these programs, each of which is based on the findings of a special training survey committee, steps were taken to meet other training needs. Plans were developed and Civil Service Commission approval was received for tax examiner training programs in both audit and collection areas.

To keep technical personnel informed as to current developments in tax laws, regulations, and administrative policies, a periodic newsletter entitled "Tax Briefs for Revenue Agents and Office Auditors" was issued throughout the year and an annual Technical Review Institute was inaugurated. The Institute consists of a series of comprehensive lectures presented in district offices to explain and fit into perspective the major technical developments of the past year.

Special committees were established in June 1959 to survey the effectiveness of the training given personnel in both the enforcement and the permissive areas of alcohol and tobacco tax activities, and to make recommendations for improvement.

Three hundred fifteen Intelligence, Inspection, and Alcohol and Tobacco Tax investigators completed courses at the Treasury Law Enforcement Officers Training School.

The Management Institute Program was continued, again utilizing various non-Service sites across the country to train approximately 1,200 participants, principally branch chiefs, analysts, and group supervisors. Included in this number were 46 employees of other Treasury Department bureaus.

Thirteen employees completed the 6-month executive development course designed for potential key officials. Basic and specialized supervisory training continued for both incumbent and potential management personnel throughout the Service under local sponsorship.

Continued usefulness of the 14 tax law and tax accounting courses offered by correspondence is reflected in the completion by employee-students of approximately 62,000 lessons during the year.

Work was begun on the development for Service-wide use of (1) a standardized supervisory training course, (2) an instructor guide for use by regional appellate divisions in training technical advisers, (3) an on-the-job training guide for coaches and supervisors, (4) a standardized secretarial development course, and (5) a report writing course.

Contracts were negotiated outside the Service for (1) the preparation of a Taxpayer Contacts course, (2) a study to be made of the training needs of regional analysts, and (3) the preparation of scripts and films for use alone or for incorporation in other training programs.

Operating Facilities

Property management.—Improved property inventory techniques were developed this year which will (1) simplify the taking of an inventory, (2) provide an adequate basis for computing the capital assets account without adjusting for acquisitions and disposals, (3) furnish current data for budget requests, (4) provide a basis for allocation of equipment funds, and (5) furnish a more factual replacement picture since 90 percent of equipment purchases will have already been received and trade-ins and disposals accomplished each year prior to the taking of an annual inventory.

Progress was made in the standardization of storeroom supplies which permitted reduction of storeroom inventory in some offices as high as 200 items. Standards were also developed for such items as envelopes, special equipment for enforcement vehicles, money chests, binders, and paper cartons for shelf filing. These standards provide for uniform sources of supply, more favorable prices, and savings in administrative costs.

Regional requirements for passenger vehicles for enforcement work were determined and a ceiling established for each region. Authority to acquire cars from forfeitures and transfers from other agencies was decentralized to regional offices. These two authorities together with prior delegations now permit regions to do a complete fleet management function to acquire, assign, control, and dispose of their motor vehicle fleet.

Space.—Upgrading and consolidation of office space were accomplished in Los Angeles, Milwaukee, and Cincinnati district offices and in the Philadelphia Regional Office. Space improvements were also made in various other smaller locations. As a result of negotiations with the General Services Administration and the lessor, the Newark District Office was air conditioned and the cost included in the lease to be amortized over a 5-year period.

Several other Internal Revenue Service offices have been air conditioned as a result of the GSA program of air-conditioning Federal office buildings. Some of these locations are the Omaha, St. Paul, Louisville, and Little Rock district offices.

The new office building for the Baltimore district office is scheduled for completion by the end of calendar year 1959.

Internal Revenue Service space requirements are included in Federal office buildings now under construction in Albuquerque, N. Mex., Burlington, Vt., and Omaha, Nebr. These buildings will be completed and ready for occupancy some time during calendar year 1960. In addition, Revenue Service space requirements are included in Federal office buildings which have been fully approved and will be constructed in Parkersburg, W. Va., Richmond, Va., and Little Rock, Ark. These buildings should be constructed and ready for occupancy within the next 2 to 3 years.

Records and correspondence.—The records administration program has continued to free Service operations of unnecessary and complicated paperwork, and at the same time to insure that adequate official records are created to document activities. In this connection, additional standards, guidelines, and management analysis assistance aimed at reducing records and eliminating or simplifying their related paperwork were furnished operating units in the National Office and the field.

Continuing emphasis on the management of forms resulted in fewer, more understandable forms and form letters for use by the Service and the public. Concentrated forms standardization work, which resulted in a 32-percent decrease in local district office forms, is illustrated by these figures:

<i>Forms prescribed by—</i>	<i>Inventory July 1, 1958</i>	<i>New forms added during year</i>	<i>Forms elimi- nated</i>	<i>Inventory June 30, 1959</i>
National Office.....	3,021	436	159	3,298
Regional offices.....	6,630	2,039	1,016	7,653
District offices.....	22,547	2,694	9,841	15,400

The Service-wide systematic retirement and disposal of inactive records resulted in the elimination of 208,430 cubic feet of records, and the recapture for other use of floorspace and filing equipment valued at \$719,000.

Improved and timely correspondence to the public, with less clerical effort, has been a direct result of intensive reviews of public-use form letters. Likewise, there has been a significant improvement in the quality of dictated correspondence resulting from Service-wide implementation of the Correspondence Handbook.



Improved facilities for publications distribution are provided at National Office Distribution Center, Alexandria, Va.

Safety.—The Secretary of the Treasury presented an employee of the Internal Revenue Service with the Secretary's Individual Award of Honor for his outstanding work in the field of safety. This was the first such award presented in the Department. A safety award program was established to encourage accident prevention competition between the three Service Centers and to stimulate efforts to reduce on-the-job injuries and man-days of lost production due to such injuries. The Secretary's Safety Award was presented to 22 district offices for working without a lost-time injury for a year. In addition, Upper Manhattan District established a safety record of 2,467,272 man-hours without a lost-time injury and received a similar award.

Publications.—Publications distribution activities of the National Office were moved from the basement of the headquarters building to a warehouse at a suburban location where adequate facilities have been provided for receiving, storing, handling, and distributing forms. As a result, the average length of time for filling requisitions was reduced from about 3 weeks to less than a week.

Adoption of the semimonthly return system for payment of alcohol and tobacco taxes, described on p. 43, placed heavy demands on publications facilities. During the closing 6-week period of the fiscal year, 21 individual forms, 9 industrial circulars, and 2 styles of envelopes had to be designed, developed, printed, and distributed to provide the tools for the changeover. Approximately 926,500 forms and circulars were distributed to the field during the first week in June in order to provide for their use effective June 24, 1959. The envelopes were shipped in 3 days instead of the 45 days normally required.

Fiscal Management

The cost of operating the Revenue Service during the year was \$355,469,000, including \$819,000 in advance procurement from the 1959 appropriation, made available prior to the beginning of the 1959 fiscal year through special legislation. Over \$15 million of the approximately \$18 million increase over the preceding fiscal year was attributable to annualization of the costs of the Government-wide salary increase effective in January 1958.

A comparison of obligations, by classes of expenditures, follows:

Obligations incurred by the Internal Revenue Service

(In thousands of dollars)

Activity	Total		Salaries		Other	
	1959	1958	1959	1958	1959	1958
Total	355,469	337,429	301,425	285,838	54,044	51,591
Rulings, technical planning, and special technical services	5,636	5,157	4,890	4,510	746	647
Collection of revenue	148,512	141,501	121,669	115,609	26,843	25,892
Audit of tax returns	123,915	118,444	109,665	105,108	14,250	13,336
Tax fraud and special investigations	18,337	17,333	15,640	4,896	2,697	2,437
Alcohol and tobacco tax regulatory work	25,790	24,773	21,296	0,478	4,494	4,295
Taxpayer conferences and appeals	12,762	11,030	11,460	9,899	1,302	1,130
Legal services	8,975	8,271	7,818	7,167	1,157	1,104
Inspection	4,821	4,491	3,902	3,611	919	880
Statistical reporting	2,586	2,451	2,055	1,842	531	609
Executive direction	4,135	3,979	3,030	2,718	1,105	1,261

Further progress was made during the year in the continuing program to improve financial management. The mechanization of all payroll operations was completed early in the fiscal year by the transfer of payrolls for the four western regions to the Western Service Center. This transfer resulted in estimated annual savings of \$66,000. However, the savings represent only one of the many advantages to be realized from this project. The payroll mechanization has been carefully planned to incorporate into the system not only the basic data required for payroll processing but also a variety of information on each employee such as job category, grade and step, tenure, personnel action history, etc. With these basic data available in the service centers, much valuable information can be produced rapidly and accurately at relatively small expense. A major program of the Fiscal Management Division is the development of methods to increase the profits from this valuable asset through more extensive use of the available data.

One of the accomplishments in 1959 was the revision of reporting procedures for personnel analysis, personnel turnover, and the "Monthly Report of Federal Civilian Employment," to provide for mechanical preparation of these reports from the service center payroll records. A variety of special studies and tabulations was also prepared from these records, primarily for use in the financial plan and budget estimate, and for personnel management. Special studies on cost above base and grade structure, and tabulations of on-rolls personnel facilitated the National Office review of the financial plan and provided the means to reprogram basic personal service costs for the purchase of additional man-

years. A special tabulation on leave is making it possible, for the first time, to include the liability for accrued leave in the general ledger accounts.

Evaluation surveys of the fiscal management operations of seven of the regions were completed during the fiscal year. While the first five of these surveys were conducted independently, the last two, in Philadelphia and Boston, were carried out as a part of a coordinated evaluation program, with representatives from Operations and Administration. This cooperative approach to the evaluation program has many advantages and will be continued in 1960.

In the administrative accounting area, a number of improvements were made in the system, including the establishment of property accounts in the general ledger, development of procedures to segregate costs for the various training programs in the accounts, further streamlining of the allotment pattern, and the issuance of new or revised manual material on a number of subjects related to accounting and fiscal operations.

Long-Range Planning

Increased attention was given to long-range operational and financial planning in order to define future goals more clearly, as a guide in the preparation of annual work plans and budgets.

A complete review was made of current resources, workloads, backlogs, and performance levels in each of the principal operational areas, as an initial step in gaging the capacity of the Service to meet its responsibilities in the coming years.

Information from both internal and external sources, relating to the level of taxpayers' compliance with internal revenue requirements, was assembled and analyzed to provide a broad measure of the effectiveness of current enforcement efforts and to identify areas where present methods are inadequate or outmoded.

Based upon this review a comprehensive plan was developed for strengthening and modernizing the Service's tax administration and enforcement programs over the next few years. The plan sets forth the long-range objectives toward which the Service's annual work programs and appropriation estimates will be directed. An important feature is a provision for the introduction of an overall electronic data-processing system, more fully described below.

Mechanization

During the past 5 years, the Service has gradually shifted a large portion of its accounting, billing, and refunding work to service

centers, where high-speed, data-processing machines are used to perform these operations.

The success of this program, together with recent advancements in the capacity and versatility of data-processing equipment, have prompted the Service to survey the possibilities for further improvements through mechanization. Studies of large-scale electronic data-processing (EDP) equipment were initiated in 1959 to determine the availability of types having potential application to Revenue Service procedures and to determine the feasibility of adapting and modifying existing operations to utilize such equipment.

These studies showed that the use of EDP methods to perform the bulk of the Service's work involving accounting, clerical, and statistical operations is a practicable and achievable goal. Broad outlines were developed for a system which would not only handle present operations more rapidly and economically but would also perform many additional tasks that cannot now be done.

The proposed system would include a permanent tax account for each taxpayer through which all transactions, for all taxes and tax periods, would be cleared before issuance of a net bill or refund. This consolidation of financial and technical essentials from all returns and information documents would permit more efficient billing, refunding, and verifying, and would provide the tools for major advances in enforcement.

The process of installation will be very gradual, of course, since the size and complexity of the project mean that its full implementation will take several years. Initially, the Service proposes to install the plan in a single region, thus obtaining the benefits of a pilot application. When a satisfactory operation in that region has been achieved, the system will be extended gradually to the other eight regions. Present estimates contemplate that the pilot regional setup will be under way sometime in 1961, with all the remaining regions converted within a few years thereafter.

Current Research Program

Research studies have covered an increasingly wide range of compliance and enforcement problems. These deal with such varied subjects as filing requirements for estimated tax and annual returns, the effect of simplification measures on taxpayer compliance, as well as examination of numerous technical provisions of the Code, where clarification or coordination of unrelated provisions would assist taxpayers and the Service in dealing with complicated questions. One such study, for example, has devel-

oped a basis for standardizing the statutory rules dealing with "related persons" and "attribution of ownership." During the past year a great deal of attention has been given to research supported by surveys. Several surveys were designed to add to existing information on underreporting of different types of income. The increasing public attention being given to indicated gaps between income reported by taxpayers and what they are presumed to have received has stressed the need for more accurate information. Work in this area has a prominent place in future research plans.

Advisory Group

An advisory group, consisting of 12 outstanding representatives of the legal, accounting, and tax teaching professions was organized in June 1959. This group will serve as a clearinghouse for suggestions from practitioners and the public for improving tax administration. They will meet with Revenue Service officials several times a year to discuss ways in which operations can be improved, to offer constructive criticism of Service policies and procedures, and to provide valuable advice on general problems facing the Service.

Coordinated Evaluation Program

A program for evaluation of regional management on a coordinated basis by all National Office divisions having counterparts in regional commissioners' offices was initiated in 1959. The basic purpose of the program is to determine how effectively regional offices are carrying out their responsibilities and to determine areas where the National Office can be of greater assistance. These visits make it possible for top management to participate jointly in discussions of the evaluations made by the various functional directors and reach certain overall conclusions on the caliber of regional management. This coordinated approach has proved very effective and an increasing number of regions are putting their district evaluation programs on a coordinated basis.

Statistical Reporting

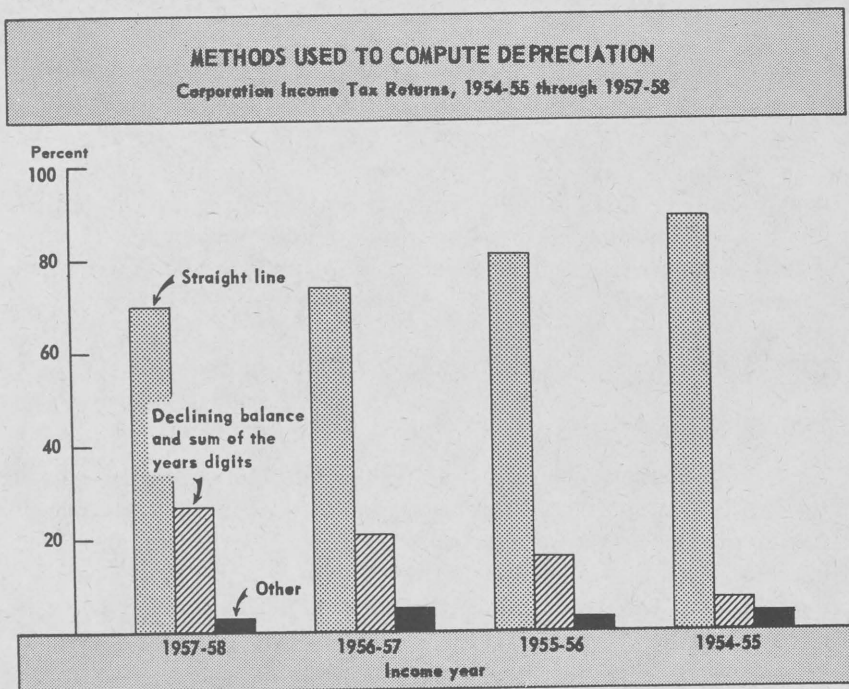
Unusual progress occurred during the year in the utilization of high-speed electronic computer equipment and in the issuance of two important sets of statistics, "Tax Analysis" and "Selected Financial Data," in advance of the annual "Statistics of Income" volumes. For the first time in the history of the Service, income-

analysis data were completed as soon as 8 months after the last-included returns were due to be filed.

The first issue of "Tax Analysis of Individual Income Tax Returns," relating to returns filed during 1958, was released in December 1958. This release was prepared in response to a request in Staff Study II of the Joint Committee on Internal Revenue Taxation. It contained data compiled from page 1 of Form 1040 (and comparable data from Form 1040A), classified by taxable and nontaxable returns and by size of adjusted gross income.

The second issue of "Selected Financial Data," covering certain items reported on business income returns for 1957-58, was released in April 1959. Comparable selected statistics, classified by industry, were prepared for nonmanufacturing corporations and for sole proprietorships and partnerships engaged in nonagricultural activities. These business statistics, first prepared for 1956-57, have proved essential to the Federal Government estimates of national income and gross national product and will be continued annually.

New information showing methods used by corporations to compute depreciation has recently been prepared in connection with the annual program of providing statistics with respect to the operation of the income tax laws. As shown in the following chart, significant changes have occurred in the methods used by corporations in computing depreciation since 1954.



The total amount of depreciation and amortization claimed as a deduction by corporations has grown from \$13.7 billion in 1954-55 to \$19.4 billion in 1957-58. The 1954-55 and 1955-56 methods data are based on information reported in the majority of the corporation returns filed for those years. The 1956-57 data were derived from a study of the returns filed by the largest corporations only. The 1957-58 percentages relate to all corporations.

A comparison of major types of income for both individuals and corporations, as given in the "Statistics of Income" for the 5 most recent years, is shown in the following tables.

Individual income tax returns: Number of returns and sources of income, 1953-57

Item	Income year				
	1957	1956	1955	1954	1953
A. Number of returns					
	(Thousands)				
All individual returns, total	59,825	59,197	58,250	56,747	57,838
Taxable	46,865	46,259	44,689	42,633	45,223
Nontaxable	12,960	12,938	13,561	14,114	12,615
Returns with itemized deduction, total	20,155	18,459	16,891	15,702	14,426
Taxable	18,569	16,973	15,435	13,712	12,932
Nontaxable	1,586	1,486	1,456	1,990	1,494
Returns with standard deduction, total	39,670	40,738	41,359	41,045	43,412
Taxable	28,296	29,286	29,254	28,921	32,291
Nontaxable	11,374	11,453	12,105	12,124	11,121
B. Sources of income					
	(Million dollars)				
All individual returns:					
Adjusted gross income, total	280,321	267,724	248,530	229,221	228,708
Salaries and wages	228,077	215,618	200,712	185,953	187,734
Business or profession	20,339	21,285	18,430	16,926	16,664
Dividends received	9,124	8,606	7,851	7,048	5,828
Interest received	3,319	2,872	2,584	2,307	2,043
Rents and royalties	3,259	3,344	3,086	3,107	3,128
Other income	16,202	16,000	15,868	13,818	13,312
Taxable returns:					
Adjusted gross income, total	262,169	249,551	229,595	209,669	212,375
Salaries and wages	214,187	201,837	186,154	170,501	173,518
Business or profession	18,596	19,176	16,349	14,987	15,969
Dividends received	8,627	8,201	7,454	6,720	5,568
Interest received	2,841	2,468	2,187	2,003	1,786
Rents and royalties	2,582	2,731	2,526	2,485	2,568
Other income	15,336	15,139	14,926	12,972	12,967

Note.—The classification of taxable and nontaxable returns for 1954-57 was based only on the income tax (after credits) for the years 1952 and 1953 it was based on the combined income tax (after credits) and self-employment tax. Thus, returns with adjusted gross deficit and no income tax but having self-employment tax were classed as taxable. These returns had adjusted gross deficits of \$46 million in 1953. For 1955 and subsequent years, nontaxable returns with adjusted gross deficit and returns with a breakeven in adjusted gross income were classified as returns with a standard deduction, whereas in prior years they were classified as returns with itemized deductions.

**Corporation income tax returns: Number of returns and sources of receipts,
1953-57**

Item	Income year				
	1957-58 (preliminary)	1956-57	1955-56	1954-55	1953-54
A. Number of returns					
All corporation returns, total	984,516	924,961	842,125	754,019	730,974
Active corporations, total	940,147	885,747	807,303	722,805	697,975
With net income	572,936	559,710	513,270	441,177	441,767
Without net income	367,211	326,037	294,033	281,628	256,208
Inactive corporations	44,369	39,214	34,822	31,214	32,999
B. Sources of receipts					
(Million dollars)					
Active corporations:					
Receipts, total	720,436	679,868	642,248	554,822	558,242
Gross sales	567,719	540,040	514,864	443,637	452,061
Gross receipts from operations	117,193	106,633	97,819	85,269	82,507
Dividends received	3,453	3,446	3,344	2,945	2,965
Interest received	16,893	15,058	13,207	11,618	10,801
Rents and royalties	7,068	6,830	5,875	5,343	4,936
Other receipts	8,110	7,861	7,140	6,010	4,973
Returns with net income:					
Receipts, total	625,621	614,857	584,975	484,727	506,450
Gross sales	499,494	493,633	472,447	388,712	411,212
Gross receipts from operations	96,108	92,476	86,549	73,352	74,151
Dividends received	3,286	3,352	3,303	2,860	2,938
Interest received	14,298	12,855	11,415	10,155	9,567
Rents and royalties	5,549	5,613	4,862	4,405	4,184
Other receipts	6,885	6,927	6,399	5,244	4,397

Enrollment of Practitioners

Treasury Department rules governing the practice of attorneys, agents, and other persons before the Internal Revenue Service were revised in fiscal year 1959 to recognize two new classes of practitioners and thus provide additional channels through which taxpayers may obtain assistance in their tax problems. The new regulations, which became effective March 15, 1959, reflect many helpful comments received from the public and interested professional groups.

The first change permits unenrolled persons to represent taxpayers before revenue agents and examining officers in district directors' offices with respect to returns prepared by them for the taxpayer. This change was made to meet the increased need for competent assistance to taxpayers resulting from the tremendous increase in the number of tax returns filed, since the original Treasury provisions governing these matters were put into effect.

The other immediate change permits qualified and experienced persons to be specially enrolled to practice before the Internal Revenue Service through a simplified examination procedure. On

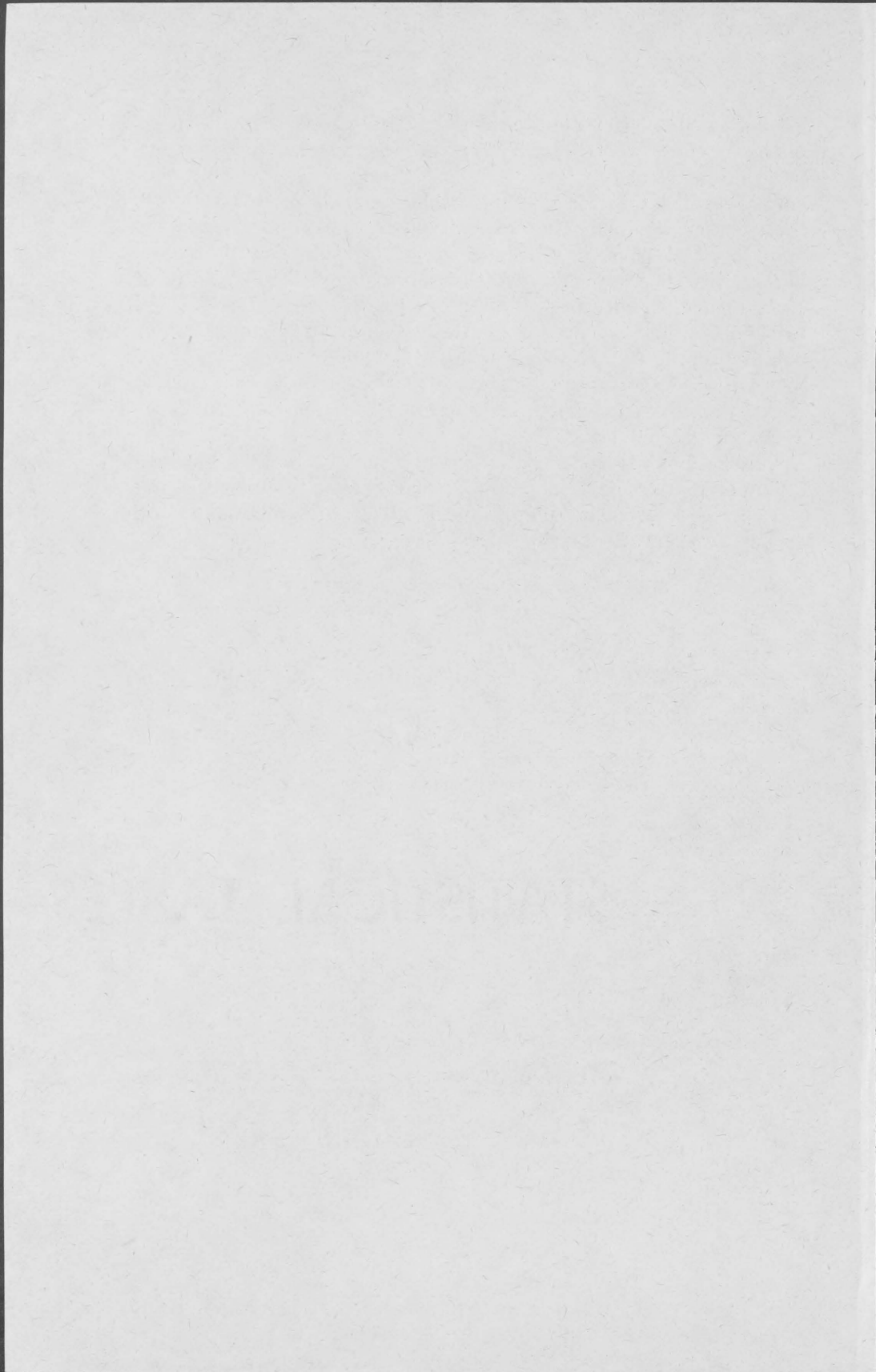
June 24 and 25, 1959, approximately 2,100 properly qualified applicants, who were not eligible for enrollment as lawyers, certified public accountants, or former Internal Revenue Service officers or employees took the special examination designed to test adequately the technical competency of the candidate to represent taxpayers at all levels of the Service. Those who successfully pass the examination, and the character investigation which will follow, will be given a card permitting unlimited practice before all levels of the Internal Revenue Service. As in the case of attorneys and certified public accountants and former Internal Revenue Service employees, they will be required to conform to the standards of conduct and ethical practice, as set forth in Treasury Department Circular 230, Revised.

Applications for general enrollment approved in 1959 included 7,280 original applications and 3,616 renewals. Comparative figures as to the disposition of enrollment and disbarment cases during the past two years are shown below:

Disposition of enrollment and disbarment cases

Type of case	1959	1958
General enrollment—attorneys and agents:		
Applications for enrollment approved	7,280	6,720
Applications for enrollment disapproved	14	17
Applications withdrawn on advice of the Director	110	110
Applications for enrollment withdrawn with prejudice	1	1
Applications abandoned	5	30
Special enrollment to practice before the Internal Revenue Service:		
Applications approved by reason of examination		1
Applications approved pursuant to standards and procedures based upon former service with the Treasury Department. (Sec. 10.3(f), Department Circular No. 230, revised)	125	199
Applications of former employees denied	4	15
Applications withdrawn		7
Applications abandoned		54
Renewal of enrollment cases:		
Applications for renewal approved	3,616	7,422
Applications for renewal disapproved	5	16
Applications for renewal withdrawn	23	24
Applications for renewal abandoned		4
Disbarment cases:		
Disbarments		2
Resignations accepted	1	1
Resignations accepted with prejudice		1
Reprimands issued	8	39
Suspensions	2	1
Closed without action		2
Formal complaints pending against enrolled persons	3	1

Note.—When the time limit specified in 31 CFR 10.6(d), as amended, is not met, a former enrollee is required to submit the original application which is processed by this office. The item, "Applications for enrollment approved" includes 1,077 of this type in 1958 and 1,742 in 1959.





STATISTICAL TABLES

NOTES

All yearly data are on a fiscal year basis, unless otherwise specified. For example, data headed "1959" pertain to the fiscal year ended June 30, 1959, and "July 1" inventory items under this heading reflect inventories as of July 1, 1958.

In many tables and charts, figures have been rounded and therefore will not necessarily add to the printed totals which are based on unrounded figures.

Internal revenue districts are listed in this section by the names of headquarters cities. Each district is identical with the boundaries of the State in which the headquarters city is located except for the States and Territories recapitulated at the bottom of tables 1, 5, and 13. A map of the districts appears on page xiii.

STATISTICAL TABLES

Internal Revenue Collections

<i>Table</i>	<i>Page</i>
1. Internal revenue collections by sources and by internal revenue regions, districts, States, and Territories.....	88
2. Internal revenue collections by sources and by quarters.....	104
3. Internal revenue collections by sources.....	106
4. Internal revenue collections by principal sources, fiscal years 1940-59 ..	109
5. Number of returns filed by internal revenue regions, districts, States, and Territories.....	112
6. Internal revenue tax on manufactured products from Puerto Rico....	114

Alcohol and Tobacco Taxes

7. Establishments qualified to engage in the production, distribution, storage, or use of alcohol and alcoholic liquors.....	114
8. Establishments qualified to engage in the production or distribution of tobacco products.....	115
9. Permits relating to industrial alcohol under chapter 51, IRC.....	115
10. Permits for operations relating to alcoholic beverages under the Federal Alcohol Administration Act.....	116
11. Permits relating to tobacco under chapter 52, IRC.....	116
12. Label activity under Federal Alcohol Administration Act.....	117

Stamp Taxes

13. Number of occupational tax stamps issued, by class of tax and by internal revenue regions, districts, States, and Territories.....	118
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Cases Receiving Appellate Consideration or in Litigation

14. Appellate Division processing of protested income, profits, estate, and gift tax cases prior to issuance of statutory notice.....	126
15. Appellate Division processing of protested income, profits, estate, and gift tax cases in which statutory notices were outstanding.....	127
16. Appellate Division processing of income, profits, estate, and gift tax cases petitioned to the Tax Court (docketed cases).....	128
17. Receipt and disposal of income, profits, estate, and gift tax cases in the Tax Court.....	128
18. Results obtained in income, profits, estate, and gift tax cases disposed of in the Tax Court.....	129
19. Receipt and disposal of Tax Court cases in courts of appeals or in Supreme Court.....	129
20. Receipt and disposal of suits filed by taxpayers in Federal courts.....	130
21. Civil tax cases decided by courts of appeals and Supreme Court.....	130
22. Receipt and disposal of claims pending and suits filed by the United States in Federal and State courts.....	131
23. Receipt and disposal by the Office of the Chief Counsel of collection, erroneous refund, subpoena, summons, and injunction cases.....	131
24. Receipt and disposal by the Office of the Chief Counsel of insolvency and debtor proceedings.....	131
25. Receipt and disposal by the Office of the Chief Counsel of lien cases and noncourt civil advisory cases.....	132

Cost of Administration

26. Obligations incurred by the Internal Revenue Service.....	132
27. Cost of printing and binding.....	134

Table 1.—Internal revenue collections by sources and by internal revenue regions, districts, States, and Territories

[In thousands of dollars. See table 3, p. 106, for tax rates and further breakdown of national totals by sources]

Internal revenue regions and districts; States and Territories ¹ (States represented by single districts indicated in parentheses; totals for other States shown at bottom of table)	Total internal revenue collections	Corporation income and profits taxes ²	Individual income and employment taxes				
			Total	Income tax not withheld ³	Income tax withheld and old-age and disability insurance ^{3 4 5}	Railroad retirement ^{4 6}	Unemployment insurance
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
United States, total	79,797,973	18,091,509	49,588,488	12,348,714	36,390,385	525,369	324,020
Atlanta region	5,680,021	1,024,815	3,235,482	1,009,512	2,179,831	20,391	25,747
Atlanta (Georgia)	888,919	195,848	582,847	149,739	424,524	3,788	4,796
Birmingham (Alabama)	534,681	115,659	396,904	117,027	272,452	4,387	3,039
Columbia (South Carolina)	287,565	56,396	216,194	59,177	154,794	110	2,113
Greensboro (North Carolina)	1,983,742	294,162	580,851	152,208	415,097	8,004	5,541
Jackson (Mississippi)	193,130	25,861	150,830	51,919	97,282	340	1,290
Jacksonville (Florida)	1,147,281	209,508	829,834	327,023	495,113	2,386	5,311
Nashville (Tennessee)	644,702	127,381	478,022	152,419	320,570	1,376	3,657
Boston region	4,280,618	897,341	2,981,987	728,592	2,217,510	14,827	21,058
Augusta (Maine)	192,884	39,002	144,394	41,569	99,295	2,417	1,112
Boston (Massachusetts)	2,209,768	475,558	1,526,038	330,113	1,180,932	4,107	10,886
Burlington (Vermont)	78,139	10,760	59,826	16,593	41,773	1,040	420
Hartford (Connecticut)	1,335,778	291,056	903,474	254,377	635,954	7,214	5,930
Portsmouth (New Hampshire)	152,792	25,790	120,509	31,130	88,438	39	902
Providence (Rhode Island)	311,258	55,176	227,746	54,810	171,119	9	1,808
Chicago region	12,815,142	3,028,213	7,371,116	1,608,958	5,626,517	83,370	52,271
Chicago (See (c) below)	5,427,064	1,463,698	3,419,186	724,434	2,594,075	76,716	23,961
Detroit (Michigan)	5,010,803	1,037,143	2,549,802	483,274	2,041,879	5,750	18,899
Milwaukee (Wisconsin)	1,409,488	352,157	889,771	227,570	655,600	302	6,299
Springfield (See (c) below)	967,787	175,215	512,357	173,679	334,963	602	3,112
Cincinnati region	9,886,990	2,026,276	5,489,918	1,258,489	4,133,514	63,656	34,258
Cincinnati (See (g) below)	1,329,028	390,117	742,848	168,169	568,733	897	5,050
Cleveland (See (g) below)	2,688,447	646,994	1,675,900	291,574	1,343,039	31,227	10,060
Columbus (See (g) below)	432,305	87,568	324,769	88,636	234,071	8	2,054
Indianapolis (Indiana)	1,759,087	303,269	1,129,026	249,216	873,429	595	5,786
Louisville (Kentucky)	1,541,037	154,704	392,622	132,943	245,120	12,073	2,486
Parkersburg (West Virginia)	308,029	52,964	234,473	67,506	164,953	95	1,920
Richmond (Virginia)	1,231,453	207,781	635,554	167,971	445,064	18,200	4,319
Toledo (See (g) below)	597,605	182,879	354,725	92,474	259,105	561	2,584
Dallas region	4,556,745	886,657	3,093,195	1,112,881	1,934,290	25,967	20,056
Albuquerque (New Mexico)	177,693	20,560	149,431	52,002	96,664	2	764
Austin (See (i) below)	1,377,167	286,146	938,808	581,821	338,850	12,121	6,016
Dallas (See (i) below)	1,305,311	259,188	929,707	348,718	563,218	11,932	5,839
Little Rock (Arkansas)	197,480	29,452	159,162	64,009	93,853	151	1,148
New Orleans (Louisiana)	689,229	149,437	461,237	164,871	291,758	1,410	3,198
Oklahoma City (Oklahoma)	809,866	141,875	454,850	144,431	306,976	351	3,091
New York City region	15,433,184	5,098,596	8,536,182	1,780,420	6,626,476	67,599	61,687
Albany (See (f) below)	889,496	275,601	584,009	79,594	497,926	2,435	4,053

Brooklyn	(See (f) below)	1,506,244	203,713	1,164,908	378,893	774,638	3,788	7,589
Buffalo	(See (f) below)	977,156	272,549	620,478	154,675	461,426	44	4,333
Lower Manhattan	(See (f) below)	5,643,607	2,569,029	2,476,976	471,091	1,981,932	6,578	17,376
Syracuse	(See (f) below)	546,121	99,893	370,322	83,116	284,373	33	2,800
Upper Manhattan	(See (f) below)	5,870,561	1,677,810	3,319,490	613,051	2,626,181	54,721	25,536
Omaha region		6,216,007	1,297,893	4,314,694	1,232,191	2,950,969	108,068	23,466
Aberdeen	(South Dakota)	107,600	13,538	90,302	45,141	44,758	4	399
Cheyenne	(Wyoming)	77,794	8,345	60,734	29,133	31,325	4	272
Denver	(Colorado)	975,968	119,590	769,473	131,636	631,200	4,163	2,474
Des Moines	(Iowa)	683,712	146,635	500,565	213,723	283,572	554	2,715
Fargo	(North Dakota)	95,576	10,287	82,238	40,533	41,279	25	401
Kansas City	(See (d) below)	637,285	173,308	411,244	117,912	287,394	3,091	2,847
Omaha	(Nebraska)	484,774	72,672	357,578	118,702	215,229	21,802	1,845
St. Louis	(See (d) below)	1,278,604	294,617	793,448	181,591	578,735	27,720	5,401
St. Paul	(Minnesota)	1,291,944	337,239	836,797	203,721	599,210	28,729	5,137
Wichita	(Kansas)	582,750	121,662	412,316	150,099	238,268	21,975	1,974
Philadelphia region		10,459,170	2,227,924	6,822,925	1,523,027	5,153,062	100,980	45,857
Baltimore	(Maryland and District of Columbia)	1,937,468	242,355	1,409,978	282,759	1,084,626	36,345	6,248
Camden	(See (e) below)	460,777	89,561	340,636	101,391	236,946	7	2,291
Newark	(See (e) below)	1,982,023	416,683	1,267,877	340,856	913,984	3,434	9,603
Philadelphia	(See (h) below)	2,687,527	498,133	1,781,933	389,195	1,328,844	51,946	11,949
Pittsburgh	(See (h) below)	2,163,608	438,688	1,377,375	256,230	1,103,404	6,946	10,796
Scranton	(See (h) below)	541,663	152,730	358,687	65,990	287,219	2,301	3,178
Wilmington	(Delaware)	686,104	389,773	286,438	86,606	198,039	(*)	1,792
San Francisco region		9,499,358	1,602,164	6,870,275	1,992,887	4,800,600	37,170	39,619
Boise	(Idaho)	147,103	25,655	116,472	40,365	75,153	235	719
Helena	(Montana)	144,973	23,219	112,914	48,336	63,753	308	517
Honolulu	(Hawaii)	175,176	30,730	132,769	35,280	96,504	240	744
Los Angeles	(See (b) below)	3,830,273	661,843	2,815,581	799,850	1,998,184	679	16,869
Phoenix	(Arizona)	266,366	40,614	213,615	80,707	131,620	74	1,214
Portland	(Oregon)	491,917	68,534	400,067	119,125	276,274	2,241	2,426
Reno	(Nevada)	114,898	15,151	86,108	30,098	55,524	(*)	486
Salt Lake City	(Utah)	217,076	42,709	157,094	42,510	112,695	988	900
San Francisco	(See (b) below)	3,093,345	514,156	2,077,654	586,113	1,448,492	31,776	11,273
Seattle	(See (a) and (j) below)	1,018,230	179,554	758,000	210,503	542,400	626	4,470
International Operations Division		160,078	2,006	127,448	101,757	25,690		(*)
Puerto Rico		45,365	19	21,898	2,443	19,455		(*)
Other		114,713	1,987	105,550	99,315	6,236		(*)
Collections not distributed by region and district:								
Undistributed depositary receipts		815,004		749,233		745,892	3,341	
Transferred to Government of Guam		(-4,343)	(-376)	(-3,967)		(-3,967)		
Totals for States not shown above								
(a) Alaska		47,942	3,319	42,822	8,104	34,559		159
(b) California		6,923,618	1,175,999	4,893,235	1,385,962	3,446,676	32,455	28,142
(c) Illinois		6,394,851	1,638,913	3,931,543	898,114	2,929,038	77,318	27,073
(d) Missouri		1,915,889	467,925	1,204,692	299,503	866,129	30,811	8,249
(e) New Jersey		2,442,800	506,244	1,608,513	442,247	1,150,930	3,441	11,894
(f) New York		15,433,184	5,098,596	8,536,182	1,780,420	6,626,476	67,599	61,687
(g) Ohio		5,047,385	1,307,558	3,098,242	640,852	2,404,949	32,694	19,747
(h) Pennsylvania		5,392,798	1,089,551	3,517,996	711,414	2,719,466	61,193	25,922
(i) Texas		2,682,478	545,334	1,868,515	687,568	1,145,039	24,053	11,855
(j) Washington		970,288	176,235	715,178	202,399	507,842	626	4,312

Footnotes on p. 110.

Table 1.—Internal revenue collections by sources and by internal revenue regions, districts, States, and Territories—Continued

[In thousands of dollars. See table 3, p. 106, for tax rates and further breakdown of national totals by sources]

Internal revenue regions and districts; States and Territories ¹ (States represented by single districts indicated in parentheses; totals for other States shown at bottom of table)	Estate tax (8)	Gift tax (9)	Excise taxes, total (sum of columns 11, 26, 31, 35, 43, 48, and 69) (10)	Total (11)	Alcohol taxes					
					Total (12)	Distilled spirits taxes				
						Imported (collected by Customs) (13)	Domestic ⁷ (14)	Rectification ⁷ (15)	Occupational taxes ⁸ (16)	Other ⁹ (17)
United States, total	1,235,823	117,160	10,759,549	3,002,096	2,137,149	339,692	1,757,307	22,037	16,612	1,501
Atlanta region	92,575	7,707	1,318,859	31,127	20,068	13,142	5,248	1	661	1,016
Atlanta (Georgia)	14,672	1,294	94,138	3,511	1,320	646	502	1	93	78
Birmingham (Alabama)	7,914	594	13,604	533	454	342	16		36	60
Columbia (South Carolina)	6,843	429	7,685	907	512	383			69	59
Greensboro (North Carolina)	12,153	940	1,095,639	798	548	206	17		58	266
Jackson (Mississippi)	5,752	278	10,394	210	116		8		64	44
Jacksonville (Florida)	36,649	3,004	67,869	19,431	11,527	10,975			266	64
Nashville (Tennessee)	8,592	1,167	29,529	5,736	5,591	591	4,482		74	444
Boston region	111,598	10,222	279,245	128,512	106,513	15,426	89,028	925	1,111	23
Augusta (Maine)	5,352	304	3,819	937	670	4	633	11	19	2
Boston (Massachusetts)	49,437	4,634	153,989	72,987	61,342	8,340	51,730	709	546	18
Burlington (Vermont)	2,231	367	4,926	3,592	3,494	3,463			30	
Hartford (Connecticut)	37,456	4,596	99,153	41,760	40,048	2,836	36,665	199	346	3
Portsmouth (New Hampshire)	3,755	141	2,573	77	35			7	28	(*)
Providence (Rhode Island)	13,367	182	14,785	9,160	924	783			141	
Chicago region	151,356	17,414	2,245,650	497,277	328,357	85,472	235,958	3,725	3,175	27
Chicago (See (c) below)	66,808	7,967	467,958	55,966	33,043	24,975	7,021	60	982	5
Detroit (Michigan)	54,041	6,113	1,363,814	105,916	67,301	59,132	6,924	286	943	16
Milwaukee (Wisconsin)	14,382	1,513	151,677	98,159	2,295	1,366	(*)	5	924	(*)
Springfield (See (c) below)	16,124	1,820	262,200	237,236	225,718		222,013	3,373	327	6
Cincinnati region	117,423	8,994	2,244,005	968,187	886,461	13,923	861,348	9,008	2,049	132
Cincinnati (See (g) below)	17,999	1,377	176,727	131,559	120,119		118,128	1,613	377	1
Cleveland (See (g) below)	34,743	2,308	328,300	28,267	5,319	4,242	294	19	762	3
Columbus (See (g) below)	7,436	295	12,235	1,868	163				162	1
Indianapolis (Indiana)	17,871	2,393	306,412	235,013	214,950	5,341	204,442	4,838	325	4
Louisville (Kentucky)	11,287	594	981,835	559,894	541,812	4,267	534,813	2,539	158	35
Parkersburg (West Virginia)	6,627	255	13,709	650	110		57		30	23
Richmond (Virginia)	13,473	1,209	373,338	6,395	3,786	73	3,614		35	64
Toledo (See (g) below)	7,987	563	51,448	4,540	201		(*)		200	1
Dallas region	88,670	10,271	477,707	61,244	16,629	12,082	3,694	1	769	82
Albuquerque (New Mexico)	1,868	518	5,286	87	81	(*)			80	(*)
Austin (See (i) below)	33,814	3,925	114,364	32,778	8,447	8,320	2		121	4
Dallas (See (i) below)	29,324	3,279	83,798	288	147				144	3
Little Rock (Arkansas)	2,909	479	5,443	309	79		12		56	11
New Orleans (Louisiana)	10,815	839	66,867	27,262	7,781	3,761	3,675	1	338	6
Oklahoma City (Oklahoma)	9,939	1,231	201,948	519	94		5		31	58
New York City region	203,957	22,473	1,571,035	306,157	193,561	128,690	61,866	998	1,976	32
Albany (See (f) below)	13,920	477	15,501	8,197	323		1	27	288	6

Brooklyn	(See (f) below)	46,287	1,790	88,861	52,479	3,443	2,817	99	514	13
Buffalo	(See (f) below)	15,367	670	26,921	4,585	4,213	2		367	3
Lower Manhattan	(See (f) below)	6,082	10,070	581,451	114,238	103,314	103,161	(*)	151	2
Syracuse	(See (f) below)	16,974	477	58,262	26,480	21,589	21,316	(*)	270	3
Upper Manhattan	(See (f) below)	105,327	8,989	759,016	77,843	60,308		59,045	385	5
Omaha region		93,773	6,576	501,707	154,705	27,950	7,555	18,948	117	48
Aberdeen	(South Dakota)	1,128	37	2,593	124	68			86	2
Cheyenne	(Wyoming)	2,056	186	6,368	53	43			41	2
Denver	(Colorado)	13,391	603	72,353	16,697	1,220	1,050		166	4
Des Moines	(Iowa)	11,517	375	24,617	1,973	1,159		1,049	108	2
Fargo	(North Dakota)	919	46	2,084	105	84	1		83	(*)
Kansas City	(See (d) below)	7,651	1,496	43,562	9,969	2,252		2,080	164	6
Omaha	(Nebraska)	9,066	412	45,028	9,158	112		(*)	111	1
St. Louis	(See (d) below)	18,835	1,071	170,491	69,964	10,168	4,194	5,640	75	249
St. Paul	(Minnesota)	15,727	1,220	100,474	39,780	6,064	2,310	3,488	40	215
Wichita	(Kansas)	13,483	1,131	34,138	6,881	6,780		6,691	80	9
Philadelphia region		191,533	21,916	1,194,466	523,679	367,764	15,308	344,045	5,787	2,535
Baltimore	(Maryland and District of Columbia)	35,156	2,727	247,251	129,257	108,356	7,045	98,328	2,608	353
Camden	(See (e) below)	13,814	1,227	15,525	4,922	1,468		1,172	74	214
Newark	(See (e) below)	49,487	1,427	246,469	138,451	71,257		70,386	291	575
Philadelphia	(See (h) below)	52,842	3,616	350,888	130,465	95,066	5,866	87,654	984	519
Pittsburgh	(See (h) below)	30,353	8,406	308,715	114,788	91,297	2,396	86,505	1,829	553
Scranton	(See (h) below)	6,438	231	23,548	5,745	274				273
Wilmington	(Delaware)	3,444	4,282	2,069	49	47				47
San Francisco region		178,322	11,036	837,655	311,571	170,209	48,095	118,081	929	3,054
Boise	(Idaho)	1,951	82	2,934	367	51				51
Helena	(Montana)	3,629	265	4,920	2,374	113				112
Honolulu	(Hawaii)	3,761	356	7,552	1,600	953	859	21	(*)	73
Los Angeles	(See (b) below)	70,620	4,600	277,509	76,196	40,433	19,519	19,852	(*)	930
Phoenix	(Arizona)	4,616	365	7,151	1,817	159	1	(*)	120	157
Portland	(Oregon)	7,514	671	15,100	4,334	2,574	1,689	693	(*)	189
Reno	(Nevada)	2,886	144	10,607	83	75		(*)		74
Salt Lake City	(Utah)	2,138	92	15,567	1,233	17				15
San Francisco	(See (b) below)	63,123	3,401	434,787	186,260	113,416	14,093	97,513	808	986
Seattle	(See (a) and (j) below)	18,084	1,060	61,527	37,307	12,419	11,933	2	(*)	466
International Operations Division		6,615	551	23,449	19,638	19,638		19,091	544	3
Puerto Rico				23,448	19,638	19,638		19,091	544	3
Other		6,615	551	2						
Collections not distributed by region and district: Undistributed depositary receipts				65,771						

Totals for States not shown above

(a) Alaska	62	(*)	1,738	43	40	1			39	
(b) California	133,743	8,000	712,297	262,456	153,850	33,612	117,366	929	1,916	28
(c) Illinois	82,932	9,788	730,159	293,202	258,760	24,975	229,034	3,433	1,308	11
(d) Missouri	26,486	2,566	214,053	79,933	12,420	4,194	7,720	77	413	17
(e) New Jersey	63,301	2,654	261,994	143,374	72,725		71,558	366	790	11
(f) New York	203,957	22,473	1,571,035	306,157	193,561	128,690	61,866	998	1,976	32
(g) Ohio	68,164	4,543	568,711	166,235	125,802	4,242	118,422	1,632	1,501	6
(h) Pennsylvania	89,632	12,253	683,152	250,999	186,637	8,263	174,159	2,813	1,345	57
(i) Texas	63,138	7,205	198,162	33,066	8,594	8,320	2		265	7
(j) Washington	18,022	1,060	59,788	37,263	12,378	11,932	2	(*)	427	18

Footnotes on p. 110.

Table 1.—Internal revenue collections by sources and by internal revenue regions, districts, States, and Territories—Continued

[In thousands of dollars. See table 3, p. 106, for tax rates and further breakdown of national totals by sources]

Internal revenue regions and districts; States and Territories ¹ (States represented by single districts indicated in parentheses; totals for other States shown at bottom of table)	Alcohol taxes—Continued						
	Wines, cordials, etc., taxes				Beer taxes		
	Total	Imported (collected by Customs)	Domestic ⁷	Occupational taxes ¹⁰	Total	Imported (collected by Customs)	Occupational taxes ¹¹
	(18)	(19)	(20)	(21)	(22)	(23)	(24)
United States, total	92,442	6,111	84,808	1,524	772,505	3,222	763,983
Atlanta region	1,420	215	731	475	9,639	132	8,796
Atlanta (Georgia)	201	8	140	53	1,990	15	1,926
Birmingham (Alabama)	2	1		(*)	78	6	
Columbia (South Carolina)	276	3	187	86	120	11	
Greensboro (North Carolina)	117	(*)	1	117	133	4	
Jackson (Mississippi)	6			6	88		
Jacksonville (Florida)	812	196	403	213	7,092	95	6,869
Nashville (Tennessee)	6	6			138	1	
Boston region	2,320	343	1,914	63	19,680	77	19,356
Augusta (Maine)	196	(*)	196	(*)	72	3	(*)
Boston (Massachusetts)	1,210	241	967	2	10,434	57	10,341
Burlington (Vermont)	87	28		59	11	5	
Hartford (Connecticut)	664	37	625	1	1,048	6	958
Portsmouth (New Hampshire)					42		
Providence (Rhode Island)	162	37	125	(*)	8,073	7	8,057
Chicago region	6,847	818	5,905	123	162,073	503	161,180
Chicago (See (c) below)	4,958	589	4,367	2	17,965	164	17,721
Detroit (Michigan)	1,722	153	1,449	120	36,894	318	36,541
Milwaukee (Wisconsin)	166	77	89	1	95,698	20	95,437
Springfield (See (c) below)	2		1	(*)	11,517		11,481
Cincinnati region	3,733	146	3,112	475	77,993	42	77,543
Cincinnati (See (g) below)	360		337	22	11,080		11,054
Cleveland (See (g) below)	334	115	218	1	22,614	19	22,580
Columbus (See (g) below)	40		3	38	1,665		1,651
Indianapolis (Indiana)	265	9	103	153	19,798	(*)	19,751
Louisville (Kentucky)	1,289	19	1,269	(*)	16,793	(*)	16,709
Parkersburg (West Virginia)	25			25	515		405
Richmond (Virginia)	1,322	3	1,082	237	1,287	23	1,168
Toledo (See (g) below)	99		99	(*)	4,240		4,225
Dallas region	2,086	213	1,662	210	42,530	80	41,676
Albuquerque (New Mexico)	4	(*)	2	1	3	(*)	
Austin (See (i) below)	1,499	139	1,211	150	22,832	62	22,421
Dallas (See (i) below)	36		1	35	105		
Little Rock (Arkansas)	172		149	22	58		
New Orleans (Louisiana)	373	74	298		19,108	18	18,968
Oklahoma City (Oklahoma)	1			1	424		287

New York City region		14,899	3,192	11,658	48	97,697	1,738	95,105	854
Albany	(See (f) below)	197		196	1	7,677		7,570	107
Brooklyn	(See (f) below)	3,081		3,067	14	45,955		45,641	313
Buffalo	(See (f) below)	5,908	42	5,865	1	16,428	584	15,709	135
Lower Manhattan	(See (f) below)	3,777	3,150	609	17	7,147	1,055	6,049	43
Syracuse	(See (f) below)	1	(*)		1	4,890	99	4,693	98
Upper Manhattan	(See (f) below)	1,935		1,921	14	15,601		15,443	158
Omaha region		2,326	137	2,175	15	124,429	7	123,525	897
Aberdeen	(South Dakota)					56			56
Cheyenne	(Wyoming)	(*)		(*)		10			10
Denver	(Colorado)	189	28	158	2	15,289	5	15,240	44
Des Moines	(Iowa)	168		161	8	646		463	183
Fargo	(North Dakota)	(*)	(*)		(*)	21	(*)		21
Kansas City	(See (d) below)	522		520	2	7,195		7,140	56
Omaha	(Nebraska)					9,046		8,996	50
St. Louis	(See (d) below)	1,055	66	987	1	58,741	2	58,631	109
St. Paul	(Minnesota)	392	42	348	1	33,324	(*)	33,056	267
Wichita	(Kansas)	(*)		(*)	(*)	101			101
Philadelphia region		10,982	394	10,559	28	144,933	176	144,281	476
Baltimore	(Maryland and District of Columbia)	2,293	214	2,053	26	18,609		18,436	75
Camden	(See (e) below)	814		813	1	2,640	98	2,617	24
Newark	(See (e) below)	4,302		4,302		62,893		62,864	29
Philadelphia	(See (h) below)	3,471	180	3,291		31,928	77	31,700	151
Pittsburgh	(See (h) below)	93	(*)	92	1	23,399	(*)	23,250	148
Scranton	(See (h) below)	9		9		5,463		5,415	2
Wilmington	(Delaware)	(*)		(*)	(*)	2			2
San Francisco region		47,830	651	47,092	86	93,532	467	92,521	544
Boise	(Idaho)	(*)				316		266	50
Helena	(Montana)	(*)	(*)			2,261	(*)	2,238	24
Honolulu	(Hawaii)	15	11		4	633	37	591	168
Los Angeles	(See (b) below)	6,018	336	5,681	1	29,745	267	29,310	11
Phoenix	(Arizona)	5	(*)		5	1,653	(*)	1,642	59
Portland	(Oregon)	57	12	45	1	1,703	10	1,634	8
Reno	(Nevada)					8			46
Salt Lake City	(Utah)					1,217		1,171	125
San Francisco	(See (b) below)	40,971	262	40,634	75	31,873	135	31,613	24,057
Seattle	(See (a) and (j) below)	764	30	733		24,125	18		
International Operations Division						(*)		(*)	
Puerto Rico						(*)		(*)	
Other									

Totals for States not shown above

(a) Alaska	(*)	(*)			3	(*)		3
(b) California	46,989	599	46,314	76	61,618	401	60,923	293
(c) Illinois	4,959	589	4,368	3	29,482	164	29,202	116
(d) Missouri	1,577	66	1,507	3	65,936	2	65,770	164
(e) New Jersey	5,116		5,115	1	65,533		65,480	52
(f) New York	14,899	3,192	11,658	48	97,697	1,738	95,105	854
(g) Ohio	833	115	658	61	39,599	19	39,511	70
(h) Pennsylvania	3,573	180	3,392	1	60,790	78	60,365	347
(i) Texas	1,536	139	1,212	184	22,936	62	22,421	454
(j) Washington	764	30	733		24,121	18	24,057	46

Footnotes on p. 110.

Table 1.—Internal revenue collections by sources and by internal revenue regions, districts, States, and Territories—Continued

[In thousands of dollars. See table 3, p. 106, for tax rates and further breakdown of national totals by sources]

Internal revenue regions and districts; States and Territories ¹ (States represented by single districts indicated in parentheses; totals for other States shown at bottom of table)	Tobacco taxes					Stamp taxes on documents, other instruments, and playing cards			
	Total	Cigarettes	Cigars ^{7 12}	Manufactured tobacco ⁷	Other ¹³	Total	Issues and transfers of bonds of indebtedness or capital stock, foreign insurance policies, and deeds of conveyance		Playing cards, silver bullion transfers
							Sales by postmasters	Sales by directors	
	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)	(34)
United States, total	1,806,816	1,738,050	51,101	16,916	750	133,817	36,478	89,746	7,592
Atlanta region	1,089,648	1,068,283	13,805	6,842	719	7,057	5,443	1,613	(*)
Atlanta (Georgia)	694	(*)	694	(*)		1,127	814	312	(*)
Birmingham (Alabama)	1,150		1,150		(*)	723	530	193	(*)
Columbia (South Carolina)	2,098		2,098	(*)		371	298	73	(*)
Greensboro (North Carolina)	1,074,082	1,068,281	(*)	5,154	647	819	659	160	
Jackson (Mississippi)						310	220	90	
Jacksonville (Florida)	9,721	2	9,720	(*)	(*)	2,789	2,286	502	(*)
Nashville (Tennessee)	1,902	(*)	142	1,688	72	918	636	283	(*)
Boston region	834	2	822	11	(*)	4,967	2,041	2,924	2
Augusta (Maine)	(*)	(*)				163	155	8	
Boston (Massachusetts)	365	2	354	10	(*)	3,229	992	2,237	(*)
Burlington (Vermont)						85	62	24	
Hartford (Connecticut)	184	(*)	183	1		1,077	619	458	(*)
Portsmouth (New Hampshire)	280		280			148	98	49	
Providence (Rhode Island)	4		4	(*)		265	116	149	1
Chicago region	2,504	(*)	812	1,692		14,235	3,005	9,734	1,496
Chicago (See (c) below)	1,080	(*)	43	1,037		9,882	1,315	7,599	968
Detroit (Michigan)	1,321	(*)	682	639		2,435	984	1,450	(*)
Milwaukee (Wisconsin)	99		83	15		1,761	705	529	527
Springfield (See (c) below)	4		4	(*)		157		157	
Cincinnati region	680,685	668,321	6,224	6,140		12,387	3,758	3,146	5,482
Cincinnati (See (g) below)	149	(*)	123	26		7,696	1,371	849	5,476
Cleveland (See (g) below)	5	1	(*)	4		1,022		1,022	(*)
Columbus (See (g) below)	(*)		(*)	(*)		365		359	6
Indianapolis (Indiana)	925		925	1		1,072	757	315	(*)
Louisville (Kentucky)	332,985	329,147	1,190	2,648		699	469	229	
Parkersburg (West Virginia)	1,346		348	999		270	228	42	
Richmond (Virginia)	342,822	339,174	1,540	2,108		1,090	933	157	(*)
Toledo (See (g) below)	2,452		2,099	354		173		173	(*)
Dallas region	1,224	(*)	1,224	1		7,852	3,571	4,281	1
Albuquerque (New Mexico)	(*)	(*)	(*)			331	165	166	(*)
Austin (See (i) below)	105	(*)	105	1		1,892		1,891	(*)
Dallas (See (i) below)	(*)	(*)	(*)	(*)		3,235	1,741	1,493	1

Little Rock	(Arkansas)	(*)		(*)			359	243	116	
New Orleans	(Louisiana)	1,119	(*)	1,119			1,209	817	392	(*)
Oklahoma City	(Oklahoma)						826	604	222	(*)
New York City region		1,200	111	984	103	3	52,969	1,397	51,388	184
Albany	(See (f) below)	61		61	(*)	(*)	180		82	99
Brooklyn	(See (f) below)	368	48	295	25		430		430	(*)
Buffalo	(See (f) below)	3	(*)	3	(*)		831		831	(*)
Lower Manhattan	(See (f) below)	676	55	585	34	3	51,104	1,397	49,655	52
Syracuse	(See (f) below)	32	(*)	1	31	(*)	241		241	
Upper Manhattan	(See (f) below)	60	7	40	13		183		150	33
Omaha region		1,208	(*)	18	1,190		7,655	3,957	3,304	394
Aberdeen	(South Dakota)						139	123	15	
Cheyenne	(Wyoming)						111	97	15	
Denver	(Colorado)	(*)	(*)	(*)			1,117	529	588	(*)
Des Moines	(Iowa)	(*)	(*)	(*)	(*)		734	726	8	(*)
Fargo	(North Dakota)						122	108	14	
Kansas City	(See (d) below)	(*)		(*)			729		729	(*)
Omaha	(Nebraska)	(*)		(*)			526	287	239	
St. Louis	(See (d) below)	1,207	(*)	17	1,189		1,584	1,161	423	(*)
St. Paul	(Minnesota)	(*)	(*)	(*)	(*)		1,980	482	1,105	393
Wichita	(Kansas)	(*)		(*)			612	444	169	(*)
Philadelphia region		27,979	1,328	25,743	881	28	9,377	3,462	5,914	1
Baltimore	(Maryland and District of Columbia)	51	(*)	50	1		1,586	827	759	(*)
Camden	(See (e) below)	1,771	(*)	1,771	(*)		177		177	
Newark	(See (e) below)	975	(*)	201	747	28	2,618	1,552	1,066	(*)
Philadelphia	(See (h) below)	13,307	1,281	11,894	132		2,874		2,874	(*)
Pittsburgh	(See (h) below)	20	(*)	19	1		1,730	1,057	673	(*)
Scranton	(See (h) below)	11,854	46	11,808			136		136	
Wilmington	(Delaware)						256	25	230	
San Francisco region		142	6	81	56	(*)	17,317	9,844	7,441	32
Boise	(Idaho)						208	183	24	1
Helena	(Montana)	(*)	(*)				201	188	13	
Honolulu	(Hawaii)	15	(*)	15	(*)		230	8	216	5
Los Angeles	(See (b) below)	65	1	34	30	(*)	3,800		3,791	9
Phoenix	(Arizona)	2			2		701	237	448	16
Portland	(Oregon)	(*)		(*)			753	444	309	(*)
Reno	(Nevada)	(*)		(*)			788	84	104	
Salt Lake City	(Utah)						270	83	187	
San Francisco	(See (b) below)	59	5	31	23		9,500	8,144	1,355	1
Seattle	(See (a) and (j) below)	1		1			1,467	473	993	(*)
International Operations Division		1,392		1,389	2					
Puerto Rico		1,392		1,389	2					
Other										

Totals for States not shown above

(a) Alaska							42	42		
(b) California	124	6	65	54	(*)		13,300	8,144	5,146	10
(c) Illinois	1,084	(*)	47	1,037			10,039	1,315	7,756	968
(d) Missouri	1,207	(*)	18	1,189			2,313	1,161	1,152	1
(e) New Jersey	2,746	(*)	1,972	747	28		2,795	1,552	1,243	(*)
(f) New York	1,200	111	984	103	3		52,969	1,397	51,388	184
(g) Ohio	2,606	1	2,222	384			9,256	1,371	2,403	5,482
(h) Pennsylvania	25,182	1,327	23,721	134			4,740	1,057	3,683	(*)
(i) Texas	105	(*)	105	1			5,126	1,741	3,384	1
(j) Washington	1		1				1,425	432	993	(*)

Footnotes on p. 110.

Table 1.—Internal revenue collections by sources and by internal revenue regions, districts, States, and Territories—Continued

[In thousands of dollars. See table 3, p. 106, for tax rates and further breakdown of national totals by sources]

Internal revenue regions and districts; States and Territories ¹ (States represented by single districts indicated in parentheses; totals for other States shown at bottom of table)	Manufacturers' excise taxes							
	Total	Gasoline	Lubricating oil, etc.	Tires (wholly or in part of rubber), inner tubes, and tread rubber	Motor vehicles, chassis, bodies, parts, and accessories	Radio and television sets, phonographs, components, etc.	Refrigerators, freezers, air conditioners, etc.; electric, gas, and oil appliances	Other ¹⁴
	(35)	(36)	(37)	(38)	(39)	(40)	(41)	(42)
United States, total	3,958,789	1,700,253	73,685	278,911	1,420,785	152,566	102,966	229,622
Atlanta region	34,769	8,063	216	7,167	8,103	3,951	4,745	2,524
Atlanta (Georgia)	4,357	995	54	543	1,701	8	80	977
Birmingham (Alabama)	3,590	60	1	1,531	1,748	(*)	113	137
Columbia (South Carolina)	2,273		(*)	102	102		1	170
Greensboro (North Carolina)	2,048	1	31	1	1,342	9	378	287
Jackson (Mississippi)	6,631	654		5,034	309		542	93
Jacksonville (Florida)	6,923	4,991	23	1	1,457	42	152	257
Nashville (Tennessee)	10,946	1,363	109	58	1,443	3,892	3,480	602
Boston region	57,126	6,331	83	5,180	6,998	10,662	5,718	22,154
Augusta (Maine)	172	2		25	32		4	110
Boston (Massachusetts)	21,059	5,015	72	3	2,447	5,726	521	7,275
Burlington (Vermont)	147	1	(*)	(*)	2			145
Hartford (Connecticut)	32,700	846	10	5,014	3,021	4,921	5,171	13,717
Portsmouth (New Hampshire)	726	(*)		36	41	15	3	631
Providence (Rhode Island)	2,322	467	1	103	1,455	(*)	20	277
Chicago region	1,501,115	165,441	6,073	217	1,195,912	57,819	44,267	31,385
Chicago (See (c) below)	261,418	135,260	5,578	10	40,287	49,245	13,410	17,628
Detroit (Michigan)	1,197,360	14,445	276	205	1,145,538	7,290	22,544	7,062
Milwaukee (Wisconsin)	28,216	11,255	179	(*)	8,953	27	6,115	1,686
Springfield (See (c) below)	14,122	4,480	41	1	1,134	1,258	2,198	5,009
Cincinnati region	426,475	100,176	4,437	180,426	79,584	10,215	22,041	29,597
Cincinnati (See (g) below)	23,152	1,690	45	4,830	5,784	381	2,222	8,200
Cleveland (See (g) below)	248,790	30,075	1,556	171,661	22,670	67	3,788	18,973
Columbus (See (g) below)	2,947	58	11	(*)	894	68	1,779	135
Indianapolis (Indiana)	40,243	6,892	199	13	28,261	1,804	1,510	1,565
Louisville (Kentucky)	72,788	48,925	2,172		863	7,889	12,713	227
Parkersburg (West Virginia)	1,295	1,087	142	(*)	56	(*)	8	1
Richmond (Virginia)	1,187	4	34	1	732	4	4	409
Toledo (See (g) below)	36,074	11,447	278	3,921	20,324	2	16	87
Dallas region	309,441	291,274	9,377	994	6,184	540	194	878
Albuquerque (New Mexico)	1,786	1,744	(*)	(*)	35	(*)	1	5
Austin (See (i) below)	55,433	53,439	896	(*)	899	19	42	138
Dallas (See (i) below)	44,933	38,891	1,038	973	3,361	467	46	157
Little Rock (Arkansas)	490	152	48	(*)	179	(*)	70	40
New Orleans (Louisiana)	16,790	15,250	615	20	689	49	26	140
Oklahoma City (Oklahoma)	190,010	181,798	6,778		1,021	5	9	399

		851,436	565,091	27,599	55,655	44,423	40,637	5,376	112,655
New York City region									
Albany	(See (f) below)	1,078	263		14	515	170	3	114
Brooklyn	(See (f) below)	19,389	2,070	130	961	6,336	5,009	1,477	3,407
Buffalo	(See (f) below)	28,745	3,017	59	6,124	2,158	441	475	16,472
Lower Manhattan	(See (f) below)	235,177	213,945	8,937	108	522	1,369	765	9,531
Syracuse	(See (f) below)	22,858	2,841	1	(*)	691	9,052	1,047	9,225
Upper Manhattan	(See (f) below)	544,189	342,955	18,473	48,449	34,202	24,596	1,609	73,905
		100,469	57,649	2,311	12,512	14,790	2,123	6,732	4,352
Omaha region									
Aberdeen	(South Dakota)	311	243	2	(*)	65		(*)	(*)
Cheyenne	(Wyoming)	4,734	4,719	3	(*)	10			2
Denver	(Colorado)	9,612	2,137	170	5,497	1,680	(*)	1	127
Des Moines	(Iowa)	12,100	60	122	6,029	1,317	883	2,313	1,377
Fargo	(North Dakota)	372	325	12	(*)	34			(*)
Kansas City	(See (d) below)	9,990	7,455	374		1,427	15	621	98
Omaha	(Nebraska)	943	347	102	(*)	446	1	39	8
St. Louis	(See (d) below)	18,084	11,158	555	754	3,901	59	744	912
St. Paul	(Minnesota)	30,792	19,015	775	231	5,316	1,096	2,554	1,806
Wichita	(Kansas)	13,531	12,191	196	(*)	594	69	460	21
		429,600	303,291	14,088	15,315	49,112	22,484	10,425	14,886
Philadelphia region									
Baltimore	(Maryland and District of Columbia)	66,896	54,145	1,398	9,412	322	1,096	105	417
Camden	(See (e) below)	1,618	9	38		689	147	180	555
Newark	(See (e) below)	61,412	13,748	582	176	35,478	5,253	453	5,722
Philadelphia	(See (h) below)	126,020	92,959	3,856	4,762	7,786	11,908	3,339	1,410
Pittsburgh	(See (h) below)	173,091	142,283	8,214	964	4,587	4,070	6,331	6,643
Scranton	(See (h) below)	348	3	(*)		229	10	17	89
Wilmington	(Delaware)	215	144	(*)		22		(*)	49
		248,356	202,938	9,500	1,446	15,679	4,134	3,468	11,191
San Francisco region									
Boise	(Idaho)	152	10		(*)	55			88
Helena	(Montana)	125	80	(*)	(*)	41	(*)	(*)	4
Honolulu	(Hawaii)	430	5		1	373	15	1	35
Los Angeles	(See (b) below)	132,923	104,745	5,231	815	7,392	3,846	3,182	7,712
Phoenix	(Arizona)	230	95	2	(*)	80	2	9	41
Portland	(Oregon)	1,925		(*)	(*)	1,780	8	76	61
Reno	(Nevada)	11	(*)		(*)	10			1
Salt Lake City	(Utah)	5,181	4,056	99	1	239	3	(*)	782
San Francisco	(See (b) below)	101,390	90,681	4,079	628	3,577	246	80	2,099
Seattle	(See (a) and (j) below)	5,988	3,267	88	(*)	2,131	14	121	367
International Operations Division									
Puerto Rico									
Other									

Totals for States not shown above

		4	4			(*)			(*)
(a) Alaska		234,313	195,425	9,310	1,443	10,969	4,093	3,262	9,811
(b) California		275,539	139,741	5,619	11	41,421	50,503	15,608	22,637
(c) Illinois		28,074	18,612	929	754	5,329	74	1,365	1,010
(d) Missouri		63,030	13,757	620	176	36,166	5,400	633	6,277
(e) New Jersey		851,436	565,091	27,599	55,655	44,423	40,637	5,376	112,655
(f) New York		310,963	43,269	1,890	180,412	49,672	518	7,806	27,395
(g) Ohio		299,460	235,245	12,070	5,726	12,602	15,988	9,687	8,142
(h) Pennsylvania		100,366	92,329	1,935	973	4,260	486	87	295
(i) Texas		5,984	3,264	88	(*)	2,131	14	121	367
(j) Washington									

Footnotes on p. 110.

Table 1.—Internal revenue collections by sources and by internal revenue regions, districts, States, and Territories—Continued

[In thousands of dollars. See table 3, p. 106, for tax rates and further breakdown of national totals by sources]

Internal revenue regions and districts; States and Territories ¹ (States represented by single districts indicated in parentheses; totals for other States shown at bottom of table)	Retailers' excise taxes					Miscellaneous excise taxes			
	Total	Luggage, etc.	Jewelry, etc.	Furs	Toilet preparations	Total	Theaters, concerts, athletic contests, etc. ^{1b}	Roof gardens, cabarets, etc.	Club dues and initia- tion fees
	(43)	(44)	(45)	(46)	(47)	(48)	(49)	(50)	(51)
United States, total	355,728	61,468	156,382	29,909	107,968	1,435,953	49,977	45,117	64,813
Atlanta region	28,789	4,816	14,542	1,403	8,028	127,600	2,704	3,836	5,749
Atlanta (Georgia)	5,425	1,050	2,816	265	1,294	79,015	340	290	868
Birmingham (Alabama)	3,123	451	1,666	164	843	4,488	112	112	575
Columbia (South Carolina)	1,819	276	845	67	632	2,206	84	50	301
Greensboro (North Carolina)	4,580	683	2,318	249	1,330	13,305	167	90	886
Jackson (Mississippi)	1,409	233	644	76	456	1,836	39	87	271
Jacksonville (Florida)	8,193	1,348	4,227	290	2,328	20,978	1,762	3,039	1,865
Nashville (Tennessee)	4,240	775	2,026	292	1,147	5,772	200	167	983
Boston region	19,108	3,178	8,914	1,621	5,395	68,606	2,578	1,903	4,042
Augusta (Maine)	884	122	459	65	238	1,558	75	151	116
Boston (Massachusetts)	10,353	2,028	5,317	1,013	1,996	46,001	1,657	1,122	1,814
Burlington (Vermont)	294	35	178	13	67	807	11	26	55
Hartford (Connecticut)	5,390	613	1,831	374	2,572	18,051	411	371	1,607
Portsmouth (New Hampshire)	547	76	291	35	145	796	185	30	94
Providence (Rhode Island)	1,640	302	838	122	378	1,392	239	203	356
Chicago region	47,360	8,939	20,474	5,254	12,694	183,057	5,720	6,073	8,444
Chicago (See (c) below)	26,332	5,433	11,397	3,276	6,227	113,295	3,344	3,529	4,176
Detroit (Michigan)	12,832	2,099	5,290	1,231	4,212	43,857	1,528	1,595	2,792
Milwaukee (Wisconsin)	5,387	997	2,409	598	1,383	18,049	680	391	824
Springfield (See (c) below)	2,809	410	1,378	149	872	7,856	169	558	652
Cincinnati region	31,743	4,656	15,696	2,182	9,210	124,464	3,067	3,289	7,213
Cincinnati (See (g) below)	5,437	941	2,200	364	1,932	8,773	514	421	900
Cleveland (See (g) below)	6,798	891	3,440	563	1,904	43,289	940	811	1,943
Columbus (See (g) below)	2,361	458	1,156	167	581	4,691	178	376	433
Indianapolis (Indiana)	6,055	799	3,367	373	1,516	23,131	457	565	1,118
Louisville (Kentucky)	2,671	429	1,443	171	628	12,804	325	550	684
Parkersburg (West Virginia)	1,831	260	902	138	531	8,308	147	119	549
Richmond (Virginia)	4,492	577	2,189	282	1,446	17,359	390	99	1,101
Toledo (See (g) below)	2,097	302	999	124	673	6,108	117	348	486
Dallas region	27,470	3,870	14,534	1,696	7,370	70,232	1,467	1,706	6,878
Albuquerque (New Mexico)	1,028	136	500	35	357	2,047	121	214	249
Austin (See (i) below)	7,693	1,149	3,998	427	2,117	16,387	258	328	2,306
Dallas (See (i) below)	9,876	1,254	5,934	668	2,020	25,317	560	396	2,335
Little Rock (Arkansas)	1,477	228	737	76	436	2,776	92	81	281
New Orleans (Louisiana)	4,019	611	1,825	303	1,280	16,497	197	639	810
Oklahoma City (Oklahoma)	3,378	492	1,538	187	1,160	7,209	239	49	898
New York City region	83,710	17,364	28,811	8,242	29,294	275,331	17,662	6,384	9,152
Albany (See (f) below)	1,726	249	808	192	477	4,272	453	415	549

Brooklyn	(See (f) below)	6,407	1,216	2,452	615	2,124	9,709	1,505	719	1,793
Buffalo	(See (f) below)	4,397	672	1,919	490	1,315	7,072	459	587	1,128
Lower Manhattan	(See (f) below)	24,799	7,161	8,531	3,310	5,797	155,399	504	655	772
Syracuse	(See (f) below)	5,091	367	3,590	214	920	3,573	214	269	500
Upper Manhattan	(See (f) below)	41,291	7,698	11,511	3,420	18,662	95,305	14,527	3,740	4,410
Omaha region		30,387	6,162	13,211	2,340	8,673	207,563	2,081	3,525	5,324
Aberdeen	(South Dakota)	669	72	333	35	229	1,353	61	66	61
Cheyenne	(Wyoming)	404	47	223	13	122	1,065	16	72	38
Denver	(Colorado)	2,507	341	1,225	242	699	42,418	429	875	734
Des Moines	(Iowa)	3,348	453	1,569	173	1,153	6,388	166	177	623
Fargo	(North Dakota)	613	71	324	35	182	876	30	94	51
Kansas City	(See (d) below)	3,943	568	1,666	313	1,396	18,928	322	518	658
Omaha	(Nebraska)	2,115	309	919	153	734	32,286	151	231	325
St. Louis	(See (d) below)	8,157	3,139	2,591	751	1,675	71,547	435	376	1,040
St. Paul	(Minnesota)	6,263	864	3,226	548	1,626	21,957	376	972	1,054
Wichita	(Kansas)	2,369	299	1,135	79	856	10,745	95	144	740
Philadelphia region		35,260	5,710	16,238	3,729	9,583	168,412	5,614	4,888	8,941
Baltimore	(Maryland and District of Columbia)	8,978	1,550	3,739	943	2,746	40,483	1,542	1,323	1,931
Camden	(See (e) below)	1,963	279	976	195	513	5,066	1,462	1,429	616
Newark	(See (e) below)	5,959	979	2,562	689	1,730	36,925	598	705	1,684
Philadelphia	(See (h) below)	9,760	1,632	4,531	1,258	2,339	68,432	1,127	627	2,266
Pittsburgh	(See (h) below)	6,308	933	3,258	418	1,699	12,786	561	597	1,677
Scranton	(See (h) below)	1,828	275	922	181	449	3,636	48	170	446
Wilmington	(Delaware)	464	61	250	45	108	1,084	276	37	321
San Francisco region		51,900	6,773	23,963	3,443	17,722	208,267	9,083	13,512	9,069
Boise	(Idaho)	776	89	382	20	285	1,430	31	182	79
Helena	(Montana)	768	96	390	48	233	1,448	50	187	100
Honolulu	(Hawaii)	1,113	186	596	9	321	4,129	142	845	155
Los Angeles	(See (b) below)	22,768	2,955	9,787	1,806	8,219	41,530	5,644	3,758	3,835
Phoenix	(Arizona)	1,808	225	940	70	572	2,586	167	462	461
Portland	(Oregon)	2,718	381	1,267	96	975	5,351	216	638	565
Reno	(Nevada)	705	82	381	34	207	9,617	35	3,725	57
Salt Lake City	(Utah)	1,423	180	651	83	510	7,451	134	94	356
San Francisco	(See (b) below)	14,928	1,907	7,192	998	4,830	122,900	2,199	2,967	2,617
Seattle	(See (a) and (j) below)	4,894	670	2,376	279	1,570	11,825	466	656	843
International Operations Division		(*)		(*)		(*)	2,420			1
Puerto Rico							2,418			
Other		(*)		(*)		(*)	1			1

Totals for States not shown above

(a) Alaska	299	35	126	37	101	1,350	28	89		1
(b) California	37,696	4,863	16,980	2,804	13,049	164,430	7,843	6,725		6,452
(c) Illinois	29,141	5,843	12,774	3,425	7,099	121,151	3,513	4,087		4,829
(d) Missouri	12,100	3,706	4,258	1,064	3,072	90,475	757	894		1,698
(e) New Jersey	7,922	1,258	3,537	884	2,242	41,991	2,060	2,134		2,300
(f) New York	83,710	17,364	28,811	8,242	29,294	275,331	17,662	6,384		9,152
(g) Ohio	16,694	2,591	7,795	1,218	5,090	62,861	1,749	1,956		3,761
(h) Pennsylvania	17,895	2,840	8,712	1,856	4,487	84,854	1,736	1,393		4,389
(i) Texas	17,569	2,403	9,933	1,095	4,138	41,704	818	723		4,641
(j) Washington	4,596	635	2,250	242	1,468	10,474	438	567		842

Table 1.—Internal revenue collections by sources and by internal revenue regions, districts, States, and Territories—Continued

[In thousands of dollars. See table 3, p. 106, for tax rates and further breakdown of national totals by sources]

Internal revenue regions and districts; States and Territories ¹ (States represented by single districts indicated in parentheses; totals for other States shown at bottom of table)	Miscellaneous excise taxes—Continued									
	Long-distance telephone, telegraph, cable, radio, etc. (52)	Leased wires, wire and equipment service (53)	Local telephone service (54)	Transportation of—			Use of safe deposit boxes (58)	Coconut and other vegetable oils processed ¹⁶ (59)	Sugar (60)	Diesel and special motor fuels (61)
				Oil by pipeline (55)	Persons (56)	Property (57)				
United States, total	269,192	23,221	398,023	7,962	227,044	143,250	6,142	1,689	86,378	52,528
Atlanta region	31,651	1,055	41,983	483	16,668	10,099	416	(*)	4,172	2,863
Atlanta (Georgia)	26,011	792	35,497	471	7,467	1,582	62		4,097	385
Birmingham (Alabama)	416	13	356		450	1,517	41			321
Columbia (South Carolina)	264	15	286		96	282	21			295
Greensboro (North Carolina)	2,030	17	2,976		2,406	2,830	53	(*)		494
Jackson (Mississippi)	56	6	46	12	10	492	24			338
Jacksonville (Florida)	2,373	179	2,161		5,950	1,978	157		75	547
Nashville (Tennessee)	501	33	662		287	1,418	57			483
Boston region	14,751	1,233	24,975	1	7,434	5,462	423	3	2,648	747
Augusta (Maine)	102	6	104	(*)	126	594	27			64
Boston (Massachusetts)	11,231	395	20,136	1	3,188	2,266	232	(*)	2,648	258
Burlington (Vermont)	55	10	51		153	293	10			70
Hartford (Connecticut)	3,328	781	4,646		3,776	1,982	99	2		294
Portsmouth (New Hampshire)	36	6	36		48	163	19			42
Providence (Rhode Island)	(*)	34	2		143	164	35	1		20
Chicago region	29,956	1,972	54,519	452	38,729	24,504	853	13	1,365	3,711
Chicago (See (c) below)	14,862	1,148	27,116	382	37,558	16,018	402	11	23	2,131
Detroit (Michigan)	9,421	563	17,440	45	781	5,718	240	2	1,185	625
Milwaukee (Wisconsin)	4,028	236	7,779	24	241	1,802	110	(*)	157	585
Springfield (See (c) below)	1,645	25	2,184	2	149	965	101			369
Cincinnati region	23,157	997	37,838	577	15,303	16,762	611	1,143	202	5,226
Cincinnati (See (g) below)	1,676	119	2,835		149	1,025	62	189		286
Cleveland (See (g) below)	8,894	466	15,199	158	5,906	5,096	149	845	2	1,284
Columbus (See (g) below)	809	9	1,434		101	601	42	109		176
Indianapolis (Indiana)	5,350	174	8,193	18	752	2,867	133	(*)	97	894
Louisville (Kentucky)	782	19	1,182	70	4,446	1,976	48			1,117
Parkersburg (West Virginia)	1,676	130	2,774	24	1,254	408	43			196
Richmond (Virginia)	2,881	70	4,715		2,547	3,903	90			790
Toledo (See (g) below)	1,090	11	1,505	307	148	887	45		104	481
Dallas region	3,690	261	3,455	3,541	12,144	9,512	383	(*)	13,872	7,304
Albuquerque (New Mexico)	89	14	64	14	103	224	19			703
Austin (See (i) below)	383	71	321	1,486	1,448	3,126	115		3,294	1,832
Dallas (See (i) below)	2,662	116	2,487	501	8,845	3,763	107		2	1,825
Little Rock (Arkansas)	212	7	255	22	372	432	32		1	395
New Orleans (Louisiana)	145	15	120	363	975	1,091	48	(*)	10,576	464
Oklahoma City (Oklahoma)	199	38	208	1,155	402	875	61			2,086

New York City region		49,399	12,403	60,833	445	58,469	18,057	965	205	29,986	7,966
Albany	(See (f) below)	516	33	542	1	267	774	57	(*)	4	268
Brooklyn	(See (f) below)	31	74	3	1	3,225	1,340	190	(*)	(*)	127
Buffalo	(See (f) below)	995	55	2,095	1	144	691	97	(*)	(*)	267
Lower Manhattan	(See (f) below)	47,527	12,109	57,828	126	660	5,333	439	(*)	25,875	3,158
Syracuse	(See (f) below)	300	6	363	(*)	774	576	53	2	141	141
Upper Manhattan	(See (f) below)	29	126	1	317	53,399	9,343	130	198	4,111	4,006
Omaha region		46,154	1,691	65,533	1,422	36,804	21,706	658	1	12,089	4,978
Aberdeen	(South Dakota)	119	3	163	15	71	349	22			171
Cheyenne	(Wyoming)	26	3	13	15	25	125	12			533
Denver	(Colorado)	9,020	338	12,454	10	3,200	1,798	62		11,915	943
Des Moines	(Iowa)	904	20	1,218	(*)	64	1,519	117			709
Fargo	(North Dakota)	91		162		23	116	16			134
Kansas City	(See (d) below)	216	20	299	732	13,497	1,644	71	(*)		416
Omaha	(Nebraska)	9,849	258	14,801	(*)	2,576	2,952	61			549
St. Louis	(See (d) below)	24,432	1,013	34,498	15	2,631	5,454	101	(*)	174	529
St. Paul	(Minnesota)	685	25	971	41	11,561	4,726	115	1		466
Wichita	(Kansas)	811	10	955	607	3,157	3,023	81			528
Philadelphia region		31,948	1,677	50,023	351	24,022	21,494	836	323	4,222	5,856
Baltimore	(Maryland and District of Columbia)	5,112	223	9,853	(*)	10,652	6,020	112	(*)	(*)	839
Camden	(See (e) below)	2	3	16	(*)	446	504	63	(*)	(*)	133
Newark	(See (e) below)	12,682	560	13,922	(*)	1,678	2,320	199	321		1,066
Philadelphia	(See (h) below)	12,931	682	24,120	270	10,636	8,465	236	1	4,222	1,038
Pittsburgh	(See (h) below)	958	198	1,699	81	249	2,747	153	(*)		2,599
Scranton	(See (h) below)	262	9	413	(*)	282	1,248	52		(*)	155
Wilmington	(Delaware)	2	1			79	191	21			26
San Francisco region		38,485	1,933	58,864	689	17,471	15,654	998	1	15,403	13,878
Boise	(Idaho)	62	6	55		32	288	22			332
Helena	(Montana)	92	9	86	25	85	228	28		(*)	330
Honolulu	(Hawaii)	383	31	1,303	5	923	132	11		7	33
Los Angeles	(See (b) below)	6,403	174	6,454	276	4,612	3,422	213	(*)		4,902
Phoenix	(Arizona)	85	23	30		103	226	29	(*)		738
Portland	(Oregon)	419	7	353		261	1,065	78	(*)		796
Reno	(Nevada)	349	4	261		330	40	12			419
Salt Lake City	(Utah)	56	3	61	118	70	380	21			643
San Francisco	(See (b) below)	29,109	1,600	48,348	261	9,737	8,332	458	(*)	10,175	5,055
Seattle	(See (a) and (j) below)	1,525	75	1,913	5	1,317	1,540	128	(*)		629
International Operations Division											
Puerto Rico										2,418	
Other								1		2,418	

Totals for States not shown above

(a) Alaska	231	22	249		435	117	4				10
(b) California	35,512	1,774	54,802	536	14,349	11,754	670	(*)		10,175	9,957
(c) Illinois	16,507	1,173	29,301	384	37,707	16,983	503	11		23	2,501
(d) Missouri	24,649	1,033	34,797	747	16,128	7,098	172	(*)		174	946
(e) New Jersey	12,684	563	13,938	(*)	2,123	2,825	262	321	(*)		1,199
(f) New York	49,399	12,403	60,833	445	58,469	18,057	965	205		29,986	7,966
(g) Ohio	12,468	605	20,973	464	6,303	7,608	297	1,143		105	2,228
(h) Pennsylvania	14,150	889	26,232	350	11,167	12,460	441	1		4,222	3,792
(i) Texas	3,045	187	2,808	1,987	10,292	6,889	223			3,295	3,657
(j) Washington	1,294	53	1,664	5	882	1,423	124	(*)			620

Table 1.—Internal revenue collections by sources and by internal revenue regions, districts, States, and Territories—Continued

[In thousands of dollars. See table 3, p. 106, for tax rates and further breakdown of national totals by sources]

Internal revenue regions and districts; States and Territories ¹ (States represented by single districts indicated in parentheses; totals for other States shown at bottom of table)	Miscellaneous excise taxes—Continued							Unclassified excise taxes ⁴	Taxes not otherwise classified ¹⁸
	Narcotics and marihuana, including * occupational taxes	Coin- operated amusement and gaming devices	Bowling alleys, pool tables, etc.	Wagering taxes		Use tax on certain vehicles	Other ¹⁷		
				Occupa- tional	Wagers				
	(62)	(63)	(64)	(65)	(66)	(67)	(68)	(69)	(70)
United States, total	969	16,894	3,403	566	6,221	32,532	31	66,351	5,444
Atlanta region	61	1,487	299	43	396	3,634	2	(-132)	582
Atlanta (Georgia)	9	510	35	5	67	527	(*)	9	120
Birmingham (Alabama)	8	45	33	2	94	391	1	(-4)	6
Columbia (South Carolina)	6	199	25	1	7	273	(*)	11	17
Greensboro (North Carolina)	10	147	76	7	44	1,072	(*)	8	(-3)
Jackson (Mississippi)	4	137	21	4	63	226	(*)	(-3)	15
Jacksonville (Florida)	14	141	60	19	49	609	(*)	(-167)	417
Nashville (Tennessee)	11	308	49	4	73	536	(*)	15	11
Boston region	38	318	199	30	50	1,767	2	91	224
Augusta (Maine)	5	24	21	(*)	(*)	144	(*)	104	14
Boston (Massachusetts)	18	153	99	17	31	734	(*)	(-4)	113
Burlington (Vermont)	1	5	7	(*)		59		(*)	29
Hartford (Connecticut)	10	80	41	8	9	605	1	(-8)	43
Portsmouth (New Hampshire)	2	24	13	3	4	93		(-1)	24
Providence (Rhode Island)	3	33	20	1	6	132			2
Chicago region	72	1,272	518	32	914	3,934	5	101	1,393
Chicago (See (c) below)	27	303	165	14	725	1,358	2	(-14)	1,445
Detroit (Michigan)	26	232	166	4	19	1,478	(*)	92	(-111)
Milwaukee (Wisconsin)	13	349	112	1	(*)	716	1	7	(-13)
Springfield (See (c) below)	6	388	76	12	169	382	2	16	71
Cincinnati region	93	2,065	463	111	2,141	4,201	3	65	375
Cincinnati (See (g) below)	9	93	57	5	59	375	(*)	(-39)	(-40)
Cleveland (See (g) below)	12	212	110	17	204	1,043	(*)	130	202
Columbus (See (g) below)	5	60	32	7	65	253	(*)	2	3
Indianapolis (Indiana)	37	538	89	44	786	1,019	(*)	(-27)	117
Louisville (Kentucky)	6	495	56	19	731	296	(*)	(-5)	(-6)
Parkersburg (West Virginia)	4	482	30	11	168	294	(*)		(*)
Richmond (Virginia)	18	80	50	4	23	596	2	(-8)	98
Toledo (See (g) below)	3	104	40	4	106	324	(*)	4	3
Dallas region	54	1,051	257	50	805	3,801	1	243	245
Albuquerque (New Mexico)	4	29	18	1	4	175	(*)	8	29
Austin (See (i) below)	18	113	73	11	261	943	1	77	109
Dallas (See (i) below)	13	79	56	2	31	1,538	(*)	149	14
Little Rock (Arkansas)	4	180	30	5	150	226	(*)	33	36
New Orleans (Louisiana)	8	433	30	23	287	272	(*)	(-30)	34
Oklahoma City (Oklahoma)	6	216	52	7	71	647	(*)	6	24
New York City region	262	532	308	24	60	2,217	2	231	941
Albany (See (f) below)	76	70	34	1	1	216	(*)	(-13)	(-11)

Brooklyn	(See (f) below)	96	149	86	(*)	30	338		79	685
Buffalo	(See (f) below)	25	97	88	1	5	334	(*)	(-24)	147
Lower Manhattan	(See (f) below)	9	22	16	(*)	(*)	365	1	58	(-1)
Syracuse	(See (f) below)	5	111	45	6	20	188	(*)	(-12)	193
Upper Manhattan	(See (f) below)	51	82	40	16	3	777	(*)	144	(-71)
Omaha region		90	1,039	505	23	144	3,794	2	(-279)	1,364
Aberdeen	(South Dakota)	2	136	22	1	15	93	(*)	(-2)	2
Cheyenne	(Wyoming)	1	68	9	9	16	85	(*)	1	105
Denver	(Colorado)	7	74	46	1	2	508	1	2	558
Des Moines	(Iowa)	7	104	91	(*)		667	(*)	74	3
Fargo	(North Dakota)	1	68	25	2	15	47		(-3)	2
Kansas City	(See (d) below)	11	85	53	3	27	356	(*)	3	24
Omaha	(Nebraska)	6	61	62	2	32	369	(*)	(*)	19
St. Louis	(See (d) below)	39	156	58	2	4	590	1	(-53)	143
St. Paul	(Minnesota)	10	157	85	1	21	690	1	(-298)	487
Wichita	(Kansas)	7	130	54	3	12	390	(*)	(-1)	21
Philadelphia region		204	3,247	441	41	347	3,932	5	158	407
Baltimore	(Maryland and District of Columbia)	13	2,165	75	(*)	22	596	4		1
Camden	(See (e) below)	5	135	32	1	3	215		7	14
Newark	(See (e) below)	115	149	83	10	7	825	(*)	129	79
Philadelphia	(See (h) below)	53	355	94	6	158	1,145	(*)	30	115
Pittsburgh	(See (h) below)	12	267	114	14	93	768	1	(-8)	70
Scranton	(See (h) below)	5	165	39	9	34	302		(*)	29
Wilmington	(Delaware)	1	12	5	1	31	81			98
San Francisco region		94	5,882	412	213	1,364	5,253	9	102	(-95)
Boise	(Idaho)	2	34	15	(*)	3	189	(*)	1	9
Helena	(Montana)	2	63	17	21	30	94	(*)	4	25
Honolulu	(Hawaii)	1	37	18	(*)	1	100		36	8
Los Angeles	(See (b) below)	42	198	126	7	60	1,398	6	228	119
Phoenix	(Arizona)	4	95	17	1	16	128	(*)	6	5
Portland	(Oregon)	7	193	40	4	21	688	(*)	20	31
Reno	(Nevada)	1	3,809	6	7	517	46	(*)	9	3
Salt Lake City	(Utah)	3	67	23	33	95	173	(*)	9	(-523)
San Francisco	(See (b) below)	22	233	90	4	32	1,658	2	(-250)	224
Seattle	(See (a) and (j) below)	10	1,153	59	136	589	779	(*)	45	5
International Operations Division		(*)								7
Puerto Rico		(*)								1
Other										7
Collections not distributed by region and district: Undistributed depositary receipts									65,771	

Totals for States not shown above

(a) Alaska	(*)	121	5	5	24	8	(*)		(*)
(b) California	64	431	216	11	93	3,056	8	(-23)	343
(c) Illinois	33	691	241	27	894	1,740	4	2	1,516
(d) Missouri	50	241	110	5	31	945	1	(-50)	167
(e) New Jersey	121	283	115	11	10	1,040	(*)	136	94
(f) New York	262	532	308	24	60	2,217	2	231	941
(g) Ohio	29	471	238	33	434	1,995	1	98	167
(h) Pennsylvania	69	786	246	29	284	2,215	1	22	214
(i) Texas	31	192	129	13	293	2,481	1	226	123
(j) Washington	10	1,032	54	130	564	771	(*)	45	5

Table 2.—Internal revenue collections by sources and by quarters

[In thousands of dollars]

Source of revenue	Quarter ended—			
	Sept. 30, 1958 (1)	Dec. 31, 1958 (2)	Mar. 31, 1959 (3)	June 30, 1959 (4)
Grand total, all sources.....	17, 079, 073	15, 295, 060	22, 821, 985	24, 601, 856
Corporation income and profits taxes ²	3, 061, 451	3, 112, 601	6, 244, 639	5, 672, 818
Individual income and employment taxes, total.....	10, 970, 151	9, 277, 959	13, 543, 542	15, 796, 836
Income tax not withheld ³	2, 209, 526	630, 020	3, 626, 160	5, 883, 008
Income tax withheld and old-age and disability insurance ^{3 9}	8, 625, 152	8, 513, 594	9, 473, 357	9, 778, 282
Railroad retirement ⁶	132, 985	132, 131	128, 397	131, 856
Unemployment insurance.....	2, 488	2, 215	315, 628	3, 690
Estate tax.....	295, 450	282, 286	335, 439	322, 648
Gift tax.....	4, 751	5, 365	16, 639	90, 405
Excise taxes, total.....	2, 746, 156	2, 618, 161	2, 680, 521	2, 714, 711
Alcohol taxes, total.....	765, 891	833, 863	655, 299	747, 044
Distilled spirits ⁷	518, 297	631, 970	476, 803	510, 079
Wines, cordials, etc. ⁷	21, 601	26, 016	21, 747	23, 079
Beer ⁷	225, 993	175, 877	156, 749	213, 886
Tobacco taxes, total.....	477, 690	453, 350	446, 399	429, 377
Cigarettes.....	460, 188	435, 169	431, 215	411, 478
Cigars ^{7 12}	12, 783	13, 627	10, 702	13, 989
Other ⁷	4, 719	4, 555	4, 482	3, 910
Stamp taxes on documents, other instruments, and playing cards, total.....	31, 192	30, 080	35, 594	36, 951
Issues and transfers of bonds of indebtedness or capital stock, foreign insurance policies, and deeds of conveyance:				
Sales by postmasters.....	7, 414	8, 159	11, 343	9, 562
Sales by directors.....	22, 178	20, 052	22, 041	25, 476
Playing cards, silver bullion transfers.....	1, 600	1, 869	2, 210	1, 913
Manufacturers' excise taxes, total.....	929, 343	882, 967	1, 065, 813	1, 080, 666
Gasoline.....	435, 898	453, 631	422, 979	387, 745
Lubricating oil, etc.....	19, 581	18, 786	17, 499	17, 819
Tires (wholly or in part of rubber), inner tubes, and tread rubber.....	67, 021	67, 491	68, 700	75, 699
Motor vehicles, chassis, bodies, parts, and accessories.....	303, 668	215, 362	421, 432	480, 323
Radio and television sets, phonographs, components, etc.....	26, 955	41, 485	45, 132	38, 994
Refrigerators, freezers, air-conditioners, etc.; electric, gas, and oil appliances.....	22, 958	26, 239	26, 737	27, 032
Other ¹⁴	53, 262	59, 973	63, 334	53, 053
Retailers' excise taxes, total.....	76, 882	73, 943	128, 364	76, 539
Luggage, etc.....	13, 961	12, 350	21, 218	13, 939
Jewelry, etc.....	34, 337	31, 681	59, 043	31, 321
Furs.....	3, 698	5, 758	13, 347	7, 107
Toilet preparations.....	24, 886	24, 154	34, 756	24, 172

Footnotes on p. 110.

Table 2.—Internal revenue collections by sources and by quarters—Continued

[In thousands of dollars]

Source of revenue	Quarter ended—			
	Sept. 30, 1958	Dec. 31, 1958	Mar. 31, 1959	June 30, 1959
	(1)	(2)	(3)	(4)
Excise taxes—Continued				
Miscellaneous excise taxes, total	447, 649	359, 519	314, 065	314, 721
Admissions:				
Theaters, concerts, athletic contests, etc. ¹⁵	14, 395	16, 081	11, 550	7, 952
Roof gardens, cabarets, etc.	10, 584	11, 485	11, 482	11, 566
Club dues and initiation fees	18, 738	13, 725	13, 765	18, 585
Long-distance telephone, telegraph, cable, radio, etc.; leased wires, wire and equipment service	68, 906	76, 796	73, 662	73, 049
Local telephone service	94, 574	100, 753	100, 063	102, 632
Transportation of—				
Oil by pipeline	6, 772	1, 175	14	1
Persons	51, 909	61, 806	59, 655	53, 674
Property	106, 748	32, 760	2, 323	1, 419
Use of safe deposit boxes	1, 485	1, 424	1, 381	1, 852
Coconut and other vegetable oils processed ¹⁶	438	387	473	390
Sugar	21, 396	25, 549	21, 732	17, 701
Diesel and special motor fuels	11, 859	11, 991	13, 502	15, 176
Narcotics and marihuana, including occupational taxes	265	160	149	395
Coin-operated amusement and gaming devices	10, 371	772	631	5, 120
Bowling alleys, pool tables, etc.	1, 986	287	125	1, 004
Wagering taxes:				
Occupational	261	96	118	91
Wagers	1, 615	1, 502	1, 435	1, 668
Use tax on certain vehicles	25, 334	2, 764	2, 000	2, 434
Other ¹⁷	11	4	5	11
Unclassified excise taxes:				
Unapplied collections	1, 139	345	419	(-1, 322)
Undistributed depository receipts ⁴	16, 372	(-15, 906)	34, 570	30, 735
Taxes not otherwise classified ¹⁸	1, 113	(-1, 313)	1, 205	4, 439

Footnotes on p. 110.

Table 3.—Internal revenue collections by sources

[In thousands of dollars]

Source of revenue	1959	1958
Grand total, all sources	79,797,973	79,978,476
Corporation income and profits taxes, total	18,091,509	20,533,316
Regular ¹⁰	18,088,669	20,531,116
Exempt organization business income tax ¹⁰	2,840	2,199
Individual income and employment taxes, total	49,588,488	47,212,944
Income tax not withheld ^{3 20}	12,348,714	12,091,789
Income tax withheld and old-age and disability insurance, total ^{3 21}	36,390,385	34,209,992
Received with returns ⁵	35,644,493	34,302,512
Undistributed depositary receipts ⁴	745,892	(-92,520)
Railroad retirement, total	525,369	575,282
Railroad employment compensation tax; employers' tax 6¼ percent to May 31, 1959, 6¾ percent thereafter; employees' tax 6¼ percent to May 31, 1959, 6¾ percent thereafter; both imposed on taxable portion of wages:		
Received with returns	522,002	600,716
Undistributed depositary receipts ⁴	3,341	(-25,456)
Railroad employees' representative tax, 12½ percent of taxable portion of wages to May 31, 1959, 13½ percent thereafter	25	22
Unemployment insurance, employers of 4 or more persons taxed 3 percent on taxable portion of wages; credit allowed up to 90 percent of tax for contributions to State unemployment funds	324,020	335,880
Estate tax, graduated rates from 3 percent on first \$5,000 of net estate in excess of \$60,000 exemption to 77 percent on portion over \$10,000,000; credit allowed for State death taxes	1,235,823	1,277,052
Gift tax, graduated rates from 2¼ percent on first \$5,000 of net gifts in excess of \$30,000 exemption to 57¾ percent on portion over \$10,000,000; \$3,000 annual exclusion for each donee	117,160	133,873
Excise taxes, total	10,759,549	10,814,268
Alcohol taxes, total	3,002,096	2,946,461
Distilled spirits taxes, total	2,137,149	2,092,183
Imported (collected by Customs), \$10.50 per gallon	339,692	307,338
Domestic, \$10.50 per gallon ⁷	1,757,307	1,745,618
Rectification, 30 cents per proof gallon ⁷	22,037	21,802
Occupational taxes:		
Nonbeverage manufacturers of spirits, \$25, \$50, \$100 per year	105	109
Rectifiers:		
Less than 500 barrels, \$110 per year	5	6
500 barrels or more, \$220 per year	23	23
Retail dealers in liquor or medicinal spirits, \$50 per year	15,224	14,297
Wholesale liquor dealers, \$200 per year	1,250	1,450
Manufacturers of stills, \$55 per year	5	7
Seizures, penalties, etc.	1,497	1,528
Stills or worms manufactured, \$22 each	4	4
Wines, cordials, etc., taxes, total	92,442	91,617
Imported (collected by Customs, rates same as domestic)	6,111	5,773
Domestic ⁷	84,808	84,530
(Still wines 17 cents, 67 cents, \$2.25 per gallon; sparkling wines, \$3.40; artificially carbonated wines, \$2.40; liqueurs, cordials, \$1.92)		
Occupational taxes:		
Retail dealers in wines or in wines and beer, \$50 per year	1,360	1,183
Wholesale dealers in wines or in wines and beer, \$200 per year	165	131
Beer taxes, total	772,505	762,660
Imported (collected by Customs), \$9 per barrel of 31 gallons	3,222	2,894
Domestic, \$9 per barrel of 31 gallons ⁷	763,983	754,704
Occupational taxes:		
Brewers:		
Less than 500 barrels, \$55 per year	(*)	(*)
500 barrels or more, \$110 per year	33	30
Retail dealers in beer, \$22 per year	4,032	3,855
Wholesale dealers in beer, \$100 per year	1,235	1,177

Footnotes on p. 110.

Table 3.—Internal revenue collections by sources—Continued

[In thousands of dollars]

Source of revenue	1959	1958
Excise taxes—Continued		
Tobacco taxes, total	1,806,816	1,734,021
Cigarettes, total	1,738,050	1,668,208
Class A (small), \$4 per thousand	1,738,045	1,668,201
Class B (large), \$8.40 per thousand	4	8
Prepayments	(*)	
Cigars, total	51,101	47,247
Large cigars, classified by intended retail prices, total ⁷	50,696	47,208
Class A (Retailing at not over 2½ cents each), \$2.50 per thousand	77	92
Class B (Over 2½ cents, not over 4 cents each), \$3 per thousand	806	687
Class C (Over 4 cents, not over 6 cents each), \$4 per thousand	9,633	8,851
Class D (Over 6 cents, not over 8 cents each), \$7 per thousand	8,095	6,089
Class E (Over 8 cents, not over 15 cents each), \$10 per thousand	24,758	24,636
Class F (Over 15 cents, not over 20 cents each), \$15 per thousand	3,409	3,117
Class G (Over 20 cents each), \$20 per thousand	3,918	3,735
Small cigars, 75 cents per thousand	404	39
Prepayments	1	
Manufactured tobacco (chewing, smoking, and snuff), 10 cents per pound ⁷	16,916	17,862
Cigarette papers and tubes, papers ½ cent per 50; tubes 1 cent per 50	749	700
Court fines, penalties, and taxes on leaf tobacco sold or removed in violation of sec. 5731, Internal Revenue Code of 1954	1	4
Stamp taxes on documents, other instruments, and playing cards, total	133,817	109,452
Issues and transfers of bonds of indebtedness or capital stock, foreign insurance policies, and deeds of conveyance: ²²		
Sales by postmasters	36,478	30,460
Sales by directors	89,746	71,681
Playing cards, 13 cents per pack	7,558	7,286
Silver bullion transfers, 50 percent of profit	34	25
Manufacturers' excise taxes, total	3,958,789	3,974,135
Gasoline, 3 cents per gallon	1,700,253	1,636,629
Lubricating oil, etc., 6 cents per gallon; cutting oil 3 cents	73,685	69,996
Tires (wholly or in part of rubber), inner tubes, and tread rubber:		
Tires, highway type, 8 cents per pound; other, 5 cents	248,041	231,747
Inner tubes, 9 cents per pound	16,563	15,434
Tread rubber, 3 cents per pound	14,307	12,639
Motor vehicles, chassis, bodies, parts, and accessories:		
Passenger automobiles, chassis, bodies, etc., 10 percent	1,039,272	1,170,003
Trucks and buses, chassis, bodies, etc., 10 percent	215,279	206,104
Parts and accessories for automobiles, trucks, etc., 8 percent	166,234	166,720
Radio and television sets, phonographs, components, etc., 10 percent	152,566	146,422
Refrigerators, freezers, air-conditioners, etc.; electric, gas, and oil appliances:		
Refrigerators, freezers, air-conditioners, etc., 5 percent except self-contained air-conditioning units which are taxed at 10 percent	40,593	39,379
Electric, gas, and oil appliances, 5 percent	62,373	61,400
Pistols and revolvers, 10 percent	2,028	1,568
Phonograph records, 10 percent	20,540	18,282
Musical instruments, 10 percent	14,590	14,635
Sporting goods (other than fishing rods, creels, etc.), 10 percent	11,675	11,255
Fishing rods, creels, etc., 10 percent	5,589	4,995
Business and store machines, 10 percent	93,894	90,658
Cameras, lenses, film, and projectors, 10 percent except projectors which are taxed at 5 percent	24,288	22,546
Electric light bulbs and tubes, 10 percent	29,401	24,936
Firearms (other than pistols and revolvers), shells, and cartridges, 11 percent	13,909	14,617
Mechanical pencils, pens, and lighters, 10 percent	8,444	9,060
Matches, 2 cents per thousand; fancy wooden or colored stems, 5½ cents	5,262	5,111

Footnotes on p. 110.

Table 3.—Internal revenue collections by sources—Continued

[In thousands of dollars]

Source of revenue	1959	1958
Excise taxes—Continued		
Retailers' excise taxes, total.....	355,728	341,621
Luggage, etc., 10 percent.....	61,468	58,785
Jewelry, etc., 10 percent.....	156,382	156,134
Furs, 10 percent.....	29,909	28,544
Toilet preparations, 10 percent.....	107,968	98,158
Miscellaneous excise taxes, total.....	1,435,953	1,741,327
Admissions taxes, total.....	95,094	97,602
Theaters, concerts, athletic contests, etc.:		
Admissions, 1 cent for each 10 cents or major fraction thereof of the amount paid; ²³ no tax where amount is 90 cents or less ²⁸	49,023	53,647
Ticket brokers' sales, 10 percent of amounts in excess of box office price ²³	572	568
Leases of boxes or seats, 10 percent of the amount for which similar accommodations are sold ²³	316	413
Admissions sold by proprietors in excess of established price, 50 percent of such excess.....	66	54
Roof gardens, cabarets, etc., 20 percent of total paid for admissions, services, etc.....	45,117	42,919
Club dues and initiation fees, 20 percent.....	64,813	60,338
Long-distance telephone, telegraph, cable, radio, etc., 10 percent.....	269,192	256,143
Leased wires, 10 percent; wire and equipment service, 8 percent.....	23,221	23,233
Local telephone service, 10 percent.....	398,023	370,810
Transportation of—		
Oil by pipeline, 4½ percent; repealed, effective August 1, 1958.....	7,962	35,143
Persons, 10 percent.....	227,044	225,809
Property, 3 percent of amount paid, except coal which is 4 cents per ton; repealed, effective August 1, 1958.....	143,250	462,989
Use of safe deposit boxes, 10 percent.....	6,142	6,137
Coconut and other vegetable oils processed ¹⁶	1,689	9,383
Sugar, approximately ½ cent per pound.....	86,378	85,911
Diesel and special motor fuels, 3 cents per gallon.....	52,528	46,061
Narcotics and marihuana, total ²⁴	969	1,038
Narcotics.....	929	992
Marihuana.....	40	46
Coin-operated amusement and gaming devices, \$10 and \$250 per device.....	16,894	17,513
Bowling alleys, pool tables, etc., \$20 per alley or table.....	3,403	3,139
Wagering taxes:		
Occupational tax, \$50 per year.....	566	628
Wagers, 10 percent of amount wagered.....	6,221	6,311
Use tax on highway motor vehicles weighing over 26,000 pounds, \$1.50 per 1,000 pounds.....	32,532	33,117
Adulterated and process or renovated butter, filled cheese, and imported oleomargarine ²⁵	2	3
Firearms transfer and occupational taxes ²⁶	29	22
Unclassified excise taxes:		
Unapplied collections.....	580	3,378
Undistributed depository receipts ⁴	65,771	(-36,127)
Taxes not otherwise classified ¹⁸	5,444	7,024

Footnotes on p. 110.

Table 4.—Internal revenue collections by principal sources, fiscal years 1940 through 1959

[In thousands of dollars]

Fiscal year ended June 30—	Total internal revenue collections	Income, profits, and employment taxes			Estate and gift taxes	Alcohol taxes ¹	Tobacco taxes ¹	Manufacturers' excise taxes	All other taxes
		Total	Corporation income and profits taxes ²	Individual income and employment taxes ^{3 27}					
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1959	79,797,973	67,679,997	18,091,509	49,588,488	1,352,982	3,002,096	1,806,816	3,958,789	1,997,292
1958	79,978,476	67,746,260	20,533,316	47,212,944	1,410,925	2,946,461	1,734,021	3,974,135	2,166,675
1957	80,171,971	68,140,946	21,530,653	46,610,293	1,377,999	2,973,195	1,674,050	3,761,925	2,243,856
1956	75,112,649	63,931,948	21,298,522	42,633,426	1,171,237	2,920,574	1,613,497	3,456,013	2,019,380
1955	66,288,692	56,134,490	18,264,720	37,869,770	936,267	2,742,840	1,571,213	2,885,016	2,018,866
1954	69,919,991	59,467,637	21,546,322	37,921,314	935,121	2,783,012	1,580,229	2,689,133	2,464,859
1953	69,686,535	58,849,134	21,594,515	37,254,619	891,284	2,780,925	1,654,911	2,862,788	2,647,492
1952	65,009,586	55,205,280	21,466,910	33,738,370	833,147	2,549,120	1,565,162	2,348,943	2,507,933
1951	50,445,686	41,012,357	14,387,569	26,624,788	729,730	2,546,808	1,380,396	2,383,677	2,392,719
1950	38,957,132	30,652,234	10,854,351	19,797,883	706,227	2,219,202	1,328,464	1,836,053	2,214,951
1949	40,463,125	32,081,604	11,553,669	20,527,935	796,538	2,210,607	1,321,875	1,771,533	2,280,969
1948	41,864,542	33,553,533	10,174,410	23,379,123	899,345	2,255,327	1,300,280	1,649,234	2,206,823
1947	39,108,386	31,044,121	9,676,459	21,367,662	779,291	2,474,762	1,237,768	1,425,260	2,147,184
1946	40,672,097	32,958,966	12,553,602	20,405,364	676,832	2,526,165	1,165,519	922,671	2,421,944
1945	43,800,388	36,840,704	16,027,213	20,813,491	643,055	2,309,866	932,145	782,511	2,292,108
1944	40,121,760	34,766,174	14,766,796	19,999,378	511,210	1,618,775	988,483	503,462	1,733,655
1943	22,371,386	17,797,593	9,668,956	8,128,637	447,496	1,423,646	923,857	504,746	1,274,048
1942	13,047,869	9,192,245	4,744,083	4,448,162	432,540	1,048,517	780,982	771,902	821,682
1941	7,370,108	4,396,980	2,053,469	2,343,512	407,058	820,056	698,077	617,373	430,564
1940	5,340,452	2,963,130	1,147,592	1,815,538	360,071	624,253	608,518	447,088	337,392

Footnotes on p. 110.

Footnotes for tables 1-4

Note.—Calendar year figures, by regions, districts, States, and Territories, for selected types of taxes, may be obtained from the Public Information Division, Internal Revenue Service, Washington 25, D.C. Floor stocks taxes are reported separately only during the periods in which the collections are of significant amounts. Relatively small amounts collected in subsequent periods are merged with the amounts shown for the related class of tax.

*Less than \$500.

† Revised.

¹ The receipts in various States do not indicate the Federal tax burden of the respective States, since the taxes collected in one State are, in many instances, borne by residents of other States. For example, the withholding taxes reported by employers situated in metropolitan areas near State boundaries include substantial amounts withheld from salaries of employees who reside in neighboring States.

² Includes tax on business income of exempt organizations.

³ Collections of individual income tax not withheld are inclusive of old-age and disability insurance taxes on self-employment income. Similarly, the collections of income tax withheld are reported in combined amount with old-age and disability insurance taxes on salaries and wages. Estimated separate national totals for individual income tax and for old-age and disability insurance taxes are shown in the text table on p. 3 of this report. Amounts of old-age and disability insurance tax collections, classified by States, are compiled by the Social Security Administration as a byproduct of its wage and income record-keeping operations and are published periodically in the Social Security Bulletin.

⁴ Tax payments made to banks, under the depositary receipts system, are included in internal revenue collections for the period in which the depositary receipts are issued. However, such payments are not classified by internal revenue districts (nor by tax subclasses to which excise tax payments relate) until the depositary receipts are received in internal revenue offices with tax returns. Accordingly, the items shown as "Undistributed depositary receipts" represent the amount of depositary receipts issued, less the amount of depositary receipts received with returns and distributed by district and tax class.

⁵ Beginning with fiscal year 1957, the United States total for individual income tax withheld is adjusted to exclude withheld individual income taxes transferred to the Government of Guam in accordance with the provisions of Public Law 630, approved Aug. 1, 1950 (64 Stat. 392). This adjustment amounted to \$3,967,000 for 1959.

⁶ Includes railroad employment compensation tax and tax on railroad employee representatives.

⁷ Amounts of taxes collected in Puerto Rico on tobacco and liquor manufactures coming into the United States are covered into the Treasury of Puerto Rico under the provisions of sec. 7652(a)(3) of the Internal Revenue Code of 1954. Such amounts are included in overall collections results (tables 1 through 4), beginning with 1955, and are shown separately in table 6.

⁸ Includes occupational taxes on manufacturers of stills, rectifiers, wholesale liquor dealers, retail dealers in liquor or medicinal spirits, and nonbeverage manufacturers of spirits.

⁹ Includes seizures, penalties, etc., and tax on stills or worms manufactured.

¹⁰ Includes occupational taxes on wholesale and retail dealers in wines or in wines and beer.

¹¹ Includes occupational taxes on brewers and wholesale and retail dealers in beer.

¹² Includes taxes on large cigars, classes A through G, and on small cigars.

¹³ Includes taxes on cigarette papers and tubes, court fines, penalties, and taxes on leaf tobacco sold or removed in violation of sec. 5731, Internal Revenue Code of 1954.

¹⁴ Includes taxes on pistols and revolvers; phonograph records; musical instruments; sporting goods; fishing rods, creels, etc.; business and store machines;

Footnotes for tables 1-4—Continued

cameras, lenses, film, and film projectors; electric light bulbs and tubes; firearms, shells, and cartridges; mechanical pencils, pens, and lighters; and matches.

¹⁵ Includes taxes on ticket brokers' sales, on leases of boxes or seats, and on admissions sold by proprietors in excess of established prices, as well as general admissions tax.

¹⁶ Includes taxes on coconut oil from the Philippines, the Trust Territory, and United States possessions as well as other coconut and vegetable oils processed. Under Public Law 85-235, the 3 cents per pound tax imposed by Code Sec. 4511 (a) on the first domestic processing of coconut oil, fatty acids, or salts derived therefrom, or any mixtures or combinations containing such oil, acids, or salts, is suspended from Oct. 1, 1957, to June 30, 1960.

¹⁷ Includes taxes on adulterated and process or renovated butter, filled cheese, and imported oleomargarine; and firearms transfer and occupational taxes.

¹⁸ Includes amounts of unidentified and excess collections and profit from sale of acquired property.

¹⁹ Corporation income and profits tax rates: First \$25,000 of net income, normal tax of 30 percent; net income in excess of \$25,000, combined normal tax and surtax of 52 percent. Normal tax and surtax rates also apply to net income derived by certain exempt organizations from unrelated trade or business.

²⁰ Rates of tax are as follows:

Individual income tax: Graduated rates from 20 percent on first \$2,000 of net income in excess of exemption to 91 percent on amount over \$200,000.

Old-age and disability insurance taxes on self-employment income: 3% percent of self-employment income; increased to 3½ percent for taxable years beginning after December 31, 1958.

²¹ Rates of tax are as follows:

Income tax withheld: Wages in excess of exemptions taxed at 18 percent.

Old-age and disability insurance taxes on salaries and wages: Employers' tax 2¼ percent, employees' tax 2¼ percent, both imposed on taxable portion of wages; both increased to 2½ percent effective Jan. 1, 1959.

²² Issues of stock, 11 cents per \$100 face value through Dec. 31, 1959, 10 cents per \$100 actual value thereafter; issues of bonds, 11 cents per \$100 face value. Transfers of stock, 5 cents or 6 cents per \$100 face value through Dec. 31, 1959, 4 cents per \$100 actual value thereafter; transfers of bonds, 5 cents per \$100 face value. Foreign insurance policies, 1 cent or 4 cents per \$1 of premium. Deeds of conveyance, 55 cents per \$500.

²³ In the case of certain racetracks the following rates apply:

Admissions—1 cent for each 5 cents of amount paid.

Ticket brokers' sales—20 percent.

Leases of boxes or seats—20 percent.

²⁴ Narcotics, 1 cent per ounce; narcotics order blanks, \$1 per hundred. Marihuana, \$1 per ounce; marihuana order blanks, 2 cents each. Amounts shown also include occupational taxes levied on manufacturers, dealers, and practitioners. For classes and rates of occupational taxes see table 13.

²⁵ Adulterated butter, 10 cents per pound; process or renovated butter, ¼ cent; domestic filled cheese, 1 cent; imported filled cheese, 8 cents; imported oleomargarine, 15 cents. Occupational taxes are levied on manufacturers or dealers in these products and are included in the amounts shown.

²⁶ Transfers of machineguns, short-barreled firearms, silencers, etc., \$200 each; transfers of certain double-barreled guns, \$1 each. Occupational taxes are levied on manufacturers, importers, or dealers in firearms and are included in the amounts shown.

²⁷ Beginning January 1951, withheld income taxes and old-age and disability insurance taxes on employees and employers are paid into the Treasury in combined amounts without separation as to type of tax. The figures for prior periods have been combined accordingly in this table for purposes of comparison, but are shown separately in the annual reports for those periods.

²⁸ Beginning January 1, 1959: 1 cent for each 10 cents, or major fraction thereof, of amount paid in excess of \$1.

Table 5.—Number of returns filed by internal revenue regions, districts, States, and Territories

Internal revenue regions and districts; States and Territories (States represented by single districts indicated in parentheses; totals for other States shown at bottom of table)	Total returns filed	Individual income tax	Corporation income tax	Partnership income	Declarations of estimated tax and all other income taxes	Employment taxes	Estate tax	Gift tax	Excise taxes
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
United States, total	92,852,313	59,184,730	998,241	1,016,232	7,394,119	19,846,709	61,250	85,080	4,265,952
Atlanta region	10,199,879	6,448,960	97,986	104,323	579,154	2,467,352	5,083	8,775	488,246
Atlanta (Georgia)	1,564,479	1,006,553	14,049	14,592	79,895	389,431	583	1,412	57,964
Birmingham (Alabama)	1,218,943	799,010	7,648	11,257	59,442	285,805	458	845	54,478
Columbia (South Carolina)	885,376	570,618	7,317	7,410	41,098	214,890	359	565	43,119
Greensboro (North Carolina)	1,905,527	1,236,505	17,383	18,343	94,259	443,686	730	1,614	93,007
Jackson (Mississippi)	684,406	413,241	5,132	8,483	33,372	177,059	272	361	46,486
Jacksonville (Florida)	2,398,834	1,426,757	34,980	26,856	194,978	603,225	2,106	3,125	106,807
Nashville (Tennessee)	1,542,314	996,276	11,477	17,382	76,110	353,256	575	853	86,385
Boston region	6,070,096	3,927,533	86,476	40,360	531,636	1,233,690	4,353	7,236	238,812
Augusta (Maine)	533,311	334,003	5,584	2,346	36,289	127,759	329	339	26,662
Boston (Massachusetts)	3,030,976	1,996,135	47,507	16,775	281,414	578,766	2,000	3,836	104,543
Burlington (Vermont)	214,149	129,191	2,135	2,140	13,460	56,496	140	268	10,319
Hartford (Connecticut)	1,484,580	944,182	19,020	13,564	140,161	301,146	1,382	2,366	62,759
Portsmouth (New Hampshire)	357,253	225,730	4,485	2,322	27,236	80,251	269	298	16,662
Providence (Rhode Island)	498,827	298,292	7,745	3,213	33,076	89,272	233	129	17,867
Chicago region	11,724,810	7,676,094	111,622	133,574	984,482	2,296,931	8,877	11,828	501,402
Chicago (See (b) below)	4,134,135	2,759,697	47,471	49,227	379,948	757,411	4,483	4,998	130,900
Detroit (Michigan)	3,844,534	2,583,023	31,166	39,680	274,796	753,278	1,328	2,815	158,448
Milwaukee (Wisconsin)	2,208,023	1,357,521	23,072	22,553	214,008	450,100	1,543	2,863	136,363
Springfield (See (b) below)	1,538,118	975,853	9,913	22,114	115,730	336,142	1,523	1,152	75,691
Cincinnati region	11,193,647	7,407,348	103,162	102,264	758,401	2,284,117	6,426	9,020	522,909
Cincinnati (See (f) below)	1,105,414	734,723	9,457	4,865	99,069	220,174	913	1,142	35,071
Cleveland (See (f) below)	2,220,057	1,481,474	24,521	18,825	156,331	422,534	1,122	1,991	113,259
Columbus (See (f) below)	855,310	581,799	7,145	7,818	55,544	157,900	529	353	44,222
Indianapolis (Indiana)	2,286,428	1,527,191	21,227	22,902	149,855	457,933	1,640	2,067	103,613
Louisville (Kentucky)	1,307,390	832,037	8,698	18,374	81,186	288,363	695	997	77,040
Parkersburg (West Virginia)	845,399	561,139	8,241	7,450	46,346	174,355	297	536	47,035
Richmond (Virginia)	1,823,631	1,200,516	16,999	14,664	113,139	408,826	838	1,266	67,383
Toledo (See (f) below)	750,018	488,469	6,874	7,366	56,931	154,032	392	668	35,286
Dallas region	8,113,308	5,014,208	68,292	98,316	554,542	1,916,004	4,190	8,916	448,840
Albuquerque (New Mexico)	402,950	260,140	2,686	5,082	27,792	86,851	127	290	19,982
Austin (See (h) below)	2,362,458	1,465,443	21,899	27,551	167,518	554,084	1,085	2,159	122,719
Dallas (See (h) below)	2,194,055	1,312,864	17,686	27,891	155,828	555,427	1,567	3,724	119,068
Little Rock (Arkansas)	727,165	452,351	3,967	9,402	43,466	175,808	294	744	41,133
New Orleans (Louisiana)	1,304,803	817,524	12,641	12,292	86,122	291,074	481	820	83,849
Oklahoma City (Oklahoma)	1,121,877	705,886	9,413	16,098	73,816	252,760	636	1,179	62,089
New York City region	10,662,718	6,447,753	206,154	121,966	1,088,975	2,375,417	7,168	11,859	403,426
Albany (See (e) below)	957,839	633,632	9,803	8,625	67,791	193,906	699	493	42,890

Brooklyn.....	(See (e) below)	3,478,498	2,302,561	58,027	43,858	281,530	668,861	2,060	2,719	118,882
Buffalo.....	(See (e) below)	1,388,092	924,583	12,545	13,377	115,659	255,151	1,143	1,133	64,501
Lower Manhattan.....	(See (e) below)	925,532	345,382	42,511	16,163	145,178	329,206	243	2,602	44,247
Syracuse.....	(See (e) below)	940,559	615,843	9,552	9,642	68,016	190,728	614	644	45,520
Upper Manhattan.....	(See (e) below)	2,972,198	1,625,572	73,716	30,301	410,801	737,565	2,409	4,268	87,386
Omaha region		9,411,434	5,900,460	81,503	136,944	699,034	2,067,670	7,681	9,292	508,650
Aberdeen.....	(South Dakota)	366,842	223,826	2,793	6,201	19,792	87,628	349	235	26,018
Cheyenne.....	(Wyoming)	187,947	110,960	2,033	3,133	13,184	45,292	72	268	13,005
Denver.....	(Colorado)	932,202	584,764	10,461	14,415	81,553	195,294	638	1,035	44,042
Des Moines.....	(Iowa)	1,572,602	951,926	10,226	29,978	137,794	347,783	1,953	1,456	91,486
Fargo.....	(North Dakota)	335,062	205,924	2,345	4,800	14,999	86,262	206	201	20,325
Kansas City.....	(See (c) below)	980,433	624,248	8,869	13,487	62,603	220,257	488	794	49,687
Omaha.....	(Nebraska)	819,869	496,967	6,036	13,248	62,957	190,464	820	1,067	48,310
St. Louis.....	(See (c) below)	1,318,323	832,838	14,770	13,664	109,181	283,811	1,050	1,606	61,403
St. Paul.....	(Minnesota)	1,723,270	1,136,229	16,168	23,558	99,176	255,213	1,100	998	90,828
Wichita.....	(Kansas)	1,174,884	732,778	7,802	14,460	97,795	355,666	1,005	1,632	63,746
Philadelphia region		12,072,023	7,933,516	121,995	106,117	987,151	2,433,024	7,466	8,094	474,660
Baltimore.....	(Maryland and District of Columbia)	2,284,226	1,500,703	23,283	15,690	187,142	467,707	1,392	2,044	86,265
Camden.....	(See (d) below)	966,276	621,558	11,156	9,654	76,362	207,103	700	712	39,031
Newark.....	(See (d) below)	2,474,175	1,604,120	40,894	23,918	217,922	508,357	1,821	862	76,281
Philadelphia.....	(See (g) below)	3,143,698	2,077,784	23,472	25,689	256,503	628,249	1,951	2,099	127,951
Pittsburgh.....	(See (g) below)	2,124,269	1,427,280	13,172	21,721	166,191	403,853	1,073	1,577	89,402
Scranton.....	(See (g) below)	825,574	547,719	5,381	7,804	57,651	159,518	372	430	46,699
Wilmington.....	(Delaware)	253,805	154,352	4,637	1,641	25,380	58,237	157	370	9,031
San Francisco region		13,073,126	8,300,018	120,174	172,265	1,093,087	2,690,685	8,454	9,919	678,524
Boise.....	(Idaho)	339,854	213,157	3,210	5,366	18,981	78,934	193	269	19,744
Helena.....	(Montana)	382,420	224,880	3,632	5,860	27,330	90,717	323	789	28,889
Honolulu.....	(Hawaii)	325,805	215,582	2,491	2,784	30,280	57,201	104	211	17,152
Los Angeles.....	(See (a) below)	4,902,867	3,183,254	54,605	59,509	430,765	960,495	3,023	2,355	208,861
Phoenix.....	(Arizona)	571,470	367,017	5,165	6,466	38,284	122,786	290	551	30,911
Portland.....	(Oregon)	948,313	579,620	8,754	15,101	71,892	220,302	574	847	51,223
Reno.....	(Nevada)	165,350	101,617	1,903	2,563	11,987	35,012	77	145	12,046
Salt Lake City.....	(Utah)	412,023	269,996	3,586	6,075	25,282	80,880	130	601	25,473
San Francisco.....	(See (a) below)	3,440,071	2,139,727	22,268	48,431	331,265	714,537	2,841	3,145	177,857
Seattle.....	(Washington and Alaska)	1,584,953	1,005,168	14,560	20,110	107,021	329,821	899	1,006	106,368
International Operations Division		331,272	128,840	877	103	117,657	81,819	1,552	141	283
Puerto Rico.....		145,507	21,906	30	1	41,646	81,650	1	-----	273
Other.....		185,765	106,934	847	102	76,011	169	1,551	141	10

Totals for States not shown above

(a) California.....	8,342,938	5,322,981	76,873	107,940	762,030	1,675,032	5,864	5,500	386,718
(b) Illinois.....	5,672,253	3,735,550	57,384	71,341	495,678	1,093,553	6,006	6,150	206,591
(c) Missouri.....	2,298,756	1,457,086	23,639	27,151	171,784	504,068	1,538	2,400	111,090
(d) New Jersey.....	3,440,451	2,225,678	52,050	33,572	294,284	715,460	2,521	1,574	115,312
(e) New York.....	10,662,718	6,447,753	206,154	121,966	1,088,975	2,375,417	7,168	11,859	403,426
(f) Ohio.....	4,930,799	3,286,465	47,997	38,874	367,875	954,640	2,956	4,154	227,838
(g) Pennsylvania.....	6,093,541	4,052,783	42,025	55,214	480,345	1,191,620	3,396	4,106	264,052
(h) Texas.....	4,556,513	2,778,307	39,585	55,442	323,346	1,109,511	2,652	5,883	241,787

Table 6.—Internal revenue tax collected in Puerto Rico on manufactured products coming into the United States, by objects of taxation

[In thousands of dollars]

Objects of taxation	1959	1958
Total.....	21,004	18,533
Distilled spirits.....	19,069	16,708
Distilled spirits, rectification tax.....	544	482
Wine.....	(*)	(*)
Beer.....	(*)	3
Cigars, large:		
Class A.....	(*)	
Class B.....	(*)	(*)
Class C.....	(*)	(*)
Class D.....	3	1
Class E.....	1,384	1,334
Class F.....	1	2
Class G.....	1	(*)
Cigars, small.....		
Cigarettes, small.....		
Chewing and smoking tobacco.....	2	2

Note.—Amounts of taxes collected in Puerto Rico on tobacco and liquor manufactures coming into the United States are covered into the Treasury of Puerto Rico under the provisions of sec. 7652(a)(3) of the Internal Revenue Code of 1954. Such amounts are included in overall collections results (tables 1 through 4), beginning with 1955.

*Less than \$500.

Table 7.—Establishments qualified to engage in the production, distribution, storage, or use of alcohol and alcoholic liquors

Class of establishment	As of June 30—	
	1959	1958
Industrial alcohol:		
Industrial alcohol plants.....	32	33
Industrial alcohol bonded warehouses.....	38	45
Industrial alcohol denaturing plants.....	45	48
Dealers in specially denatured alcohol.....	41	38
Users of specially denatured alcohol and denatured rum.....	3,854	3,936
Reprocessors, rebottlers, etc., of specially denatured alcohol articles.....	1,143	1,192
Users of tax-free alcohol.....	7,405	7,484
Distilled spirits:		
Fruit distilleries.....	93	96
Registered distilleries.....	86	84
Internal revenue bonded warehouses.....	209	211
Distillery denaturing bonded warehouses.....	2	2
Taxpaid bottling houses.....	48	48
Rectifying plants.....	127	132
Beer: Breweries.....	231	246
Wines:		
Bonded wine cellars.....	510	533
Taxpaid wine-bottling houses.....	119	121
Vinegar: Vinegar factories using vaporizing process.....	6	6
Beverage dealers:		
Importers.....	1,466	1,383
Wholesale dealers in liquors.....	7,210	7,403
Wholesale dealers in beer.....	10,773	10,928
Retail dealers in liquors.....	279,271	270,697
Retail dealers in beer.....	154,843	157,184
Other:		
Manufacturers of nonbeverage products (drawback).....	996	1,014
Bottle manufacturers.....	95	93
Carriers.....	449	454
Fruit-flavor concentrate plants.....	30	25

Table 8.—Establishments qualified to engage in the production or distribution of tobacco products

Class of establishment	As of June 30—	
	1959	1958
Manufacturers of tobacco.....	183	190
Manufacturers of cigars and cigarettes.....	597	667
Manufacturers of cigarette papers and tubes.....	4	3
Dealers in tobacco materials.....	2,336	2,357
Tobacco export warehouses ¹	89	84

¹ Includes the former bonded sea stores warehouses.

Table 9.—Permits relating to industrial alcohol under Chapter 51, Internal Revenue Code, 1954

Status	Total	Industrial alcohol plants, bonded warehouses, and denaturing plants	Dealers in specially denatured alcohol	Users of—			Carriers of specially denatured alcohol
				Specially denatured alcohol	Specially denatured rum	Tax-free alcohol	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
In effect July 1, 1958.....	11,981	69	38	3,891	45	7,484	454
Issued during year.....	573	6	4	324	2	217	20
Terminated during year, total.....	774	10	1	405	2	296	60
Revoked.....							
Otherwise terminated.....	774	10	1	405	2	296	60
In effect June 30, 1959.....	11,780	65	41	3,810	45	7,405	¹ 414
Renewals approved during year.....	11,491	64	38	3,798	43	7,107	441
Amended during year.....	1,501	18	13	695	4	742	29

¹ Automatically terminated July 1, 1959, by Public Law 85-859.

Table 10.—Permits for operations relating to alcoholic beverages under the Federal Alcohol Administration Act

Status	Total	Distillers	Warehousing and bottling	Rectifiers	Wine producers and blenders	Wine blenders	Importers	Wholesalers
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
In effect July 1, 1958.....	14,335	233	263	174	465	62	1,383	11,755
Issued during year.....	1,780	31	31	23	39	5	238	1,413
Terminated during year, total.....	1,925	32	47	32	58	11	155	1,590
Revoked.....	21						1	20
Otherwise terminated.....	1,904	32	47	32	58	11	154	1,570
In effect June 30, 1959.....	14,190	232	247	165	446	56	1,466	11,578
Amended during year.....	1,669	54	116	74	65	14	203	1,143

* Revised.

Table 11.—Permits relating to tobacco under Chapter 52, Internal Revenue Code, 1954

Status	Total	Manufacturers of—			Dealers in tobacco materials	Export warehouse proprietors
		Cigars and cigarettes	Tobacco	Cigarette papers and tubes		
	(1)	(2)	(3)	(4)	(5)	(6)
In effect July 1, 1958.....	3,216	667	190	2	2,357	194
Issued during year.....	258	26	15	2	121	
Terminated during year, total.....	2,605	96	22	4	2,478	5
Revoked.....						
Otherwise terminated.....	2,605	96	22	4	2,478	5
In effect June 30, 1959.....	869	597	183			89
Amended during year.....	99	52	19		27	1

¹ Permit requirement established, effective Sept. 3, 1958, by Public Law 85-859.

² Automatically terminated Sept. 3, 1958, by Public Law 85-859.

Table 12.—Label activity under Federal Alcohol Administration Act

Type of label	Applications received			Applications acted upon				Applica- tions returned without action
	Total	For approval	For exemp- tion	Total	Certificates issued		Dis- approved	
					Approv- als	Exemp- tions		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
Grand total.....	38, 129	37, 811	318	36, 943	36, 241	301	401	1, 186
Distilled spirits, total...	16, 058	16, 041	17	15, 575	15, 410	12	153	483
Domestic.....	14, 457	14, 440	17	14, 042	13, 914	12	116	415
Imported.....	1, 601	1, 601		1, 533	1, 496		37	68
Wines, total.....	20, 086	19, 785	301	19, 426	18, 924	289	213	660
Domestic.....	5, 656	5, 355	301	5, 487	5, 135	289	63	169
Imported.....	14, 430	14, 430		13, 939	13, 789		150	491
Malt beverages, total...	1, 985	1, 985		1, 942	1, 907		35	43
Domestic.....	1, 679	1, 679		1, 646	1, 639		7	33
Imported.....	306	306		296	268		28	10

Table 13.—Number of occupational tax stamps issued, covering the fiscal year 1959, or portion thereof, by class of tax and by internal revenue regions, districts, States, and Territories

Internal revenue regions and districts; States and Territories (States represented by single districts indicated in parentheses; totals for other States shown at bottom of table)		Total number of occupational tax stamps issued	Distilled spirits									
			Manufacturers of stills, \$55	Rectifiers		Wholesale dealers, \$200	Retail dealers			Manufacturers of nonbeverage products		
				Less than 500 barrels, \$110	500 barrels or more, \$220		Retail dealers, \$50	At large, \$50	Medicinal spirits, \$50	Less than 25 gallons, \$25	Not exceeding 50 gallons, \$50	50 gallons or more \$100
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
United States, total		1,157,520	86	43	100	6,118	261,363	661	1,590	91	71	868
Atlanta region		109,198		1	3	320	9,355		13	10	9	56
Atlanta (Georgia)		13,296		1		41	1,353			5	2	12
Birmingham (Alabama)		10,438				22	639		4		2	7
Columbia (South Carolina)		12,027				14	962				2	3
Greensboro (North Carolina)		16,064				56	322		7	3	1	6
Jackson (Mississippi)		11,177				29	1,033			1		3
Jacksonville (Florida)		27,802			3	96	4,249					3
Nashville (Tennessee)		18,394				62	797		2	1	2	22
Boston region		67,820	4	6	9	408	16,462	11	740	6	5	77
Augusta (Maine)		6,219		1	1	5	338	2				2
Boston (Massachusetts)		29,416	4	4	5	219	8,017	7	686	3	3	54
Burlington (Vermont)		3,100				6	493					
Hartford (Connecticut)		18,950		1	2	141	5,257	1				12
Portsmouth (New Hampshire)		4,520			1	2	495				1	3
Providence (Rhode Island)		5,615				35	1,862	1	54	1		6
Chicago region		154,916	6	6	10	932	51,154	9	452	12	10	129
Chicago (See (c) below)		44,172	3		5	277	15,857		8	10	5	79
Detroit (Michigan)		47,989	1	4	3	467	17,076	6	11		2	31
Milwaukee (Wisconsin)		43,732		2		107	13,471	3	427	1	1	11
Springfield (See (c) below)		19,023	2		2	81	4,750		6	1	2	8
Cincinnati region		137,504	13	6	27	653	30,115	19	3	15	7	82
Cincinnati (See (g) below)		12,994	4		2	87	4,461	4		1		24
Cleveland (See (g) below)		28,887	4		1	216	11,125			4		15
Columbus (See (g) below)		9,803	1			98	2,456	1		4		5
Indianapolis (Indiana)		25,935		2	3	26	5,264			2		21
Louisville (Kentucky)		17,775	2	4	21	125	2,500	14	1		5	
Parkersburg (West Virginia)		13,833	2			1	556					1
Richmond (Virginia)		18,241				7	408		2	1	1	11
Toledo (See (g) below)		10,036				93	3,345			3	1	5
Dallas region		107,344	5	2		305	12,044	17	1	7	4	37
Albuquerque (New Mexico)		4,395		1		34	1,349					
Austin (See (i) below)		39,694	2			63	2,313				2	14
Dallas (See (i) below)		17,380	2			119	1,821	17			1	11
Little Rock (Arkansas)		8,628				9	767		1		2	1
New Orleans (Louisiana)		23,596	1	1		79	5,209			3	1	9
Oklahoma City (Oklahoma)		13,651				1	585					2

New York City region		131,568	13	1	5	501	30,018	134	1	9	17	145
Albany	(See (f) below)	17,051	2		2	14	5,017					8
Brooklyn	(See (f) below)	39,052	3	1	2	137	7,614	7		2	4	53
Buffalo	(See (f) below)	20,965	4			25	5,523		1		1	19
Lower Manhattan	(See (f) below)	7,260				90	1,893	127		3	8	30
Syracuse	(See (f) below)	15,770	1			21	4,103			2	1	8
Upper Manhattan	(See (f) below)	31,470	3		1	214	5,868			2	3	27
Omaha region		122,582	11	1	3	446	19,093	266	319	11	3	74
Aberdeen	(South Dakota)	5,746				8	969			1		
Cheyenne	(Wyoming)	2,919				1	696					
Denver	(Colorado)	10,873				42	2,467	23	251		1	8
Des Moines	(Iowa)	18,356				3	1,821			2		7
Fargo	(North Dakota)	4,236				12	1,038					
Kansas City	(See (d) below)	12,071	5	1		118	2,310	125	3	2		8
Omaha	(Nebraska)	10,125				26	1,728	72	9			2
St. Louis	(See (d) below)	19,654	4		2	79	4,105	46	5		2	35
St. Paul	(Minnesota)	24,859			1	121	2,723		49	6		12
Wichita	(Kansas)	13,743	2			36	1,236		2			2
Philadelphia region		156,948	27	5	23	1,084	43,761	204	7	7	8	162
Baltimore	(Maryland and District of Columbia)	30,217	1	1	7	248	5,855	174	2	1		18
Camden	(See (e) below)	11,556	3		3	53	3,944					8
Newark	(See (e) below)	28,919	14	1	6	175	10,275	16		2	3	62
Philadelphia	(See (h) below)	38,131	5	3	6	329	9,022	2	1	2	4	55
Pittsburgh	(See (h) below)	29,312	2		1	252	8,551	9	4	2	1	13
Scranton	(See (h) below)	16,707	2			11	5,343					6
Wilmington	(Delaware)	2,106				16	771	3				
San Francisco region		169,640	7	15	20	1,469	49,361	1	54	14	8	106
Boise	(Idaho)	5,279				6	708					
Helena	(Montana)	6,435				39	1,806			1		
Honolulu	(Hawaii)	3,555	1	2		27	1,034				1	1
Los Angeles	(See (b) below)	52,071	1	4	7	396	16,244			5	5	48
Phoenix	(Arizona)	7,287				68	2,486					
Portland	(Oregon)	12,707				129	3,009					5
Reno	(Nevada)	5,014				20	1,280		54			
Salt Lake City	(Utah)	5,347				1	173	1				1
San Francisco	(See (b) below)	48,378	2	8	13	488	16,603			4	2	44
Seattle	(See (a) and (j) below)	23,567	3	1		295	6,018			4		7

Totals for States not shown above

(a) Alaska	2,012				21	660						1
(b) California	100,449	3	12	20	884	32,847				9	7	92
(c) Illinois	63,195	5		7	358	20,607		14	11		7	87
(d) Missouri	31,725	9	1	2	197	6,415	171	8	2	2		43
(e) New Jersey	40,475	17	1	9	228	14,219	16		2	3		70
(f) New York	131,568	13	1	5	501	30,018	134	1	9	17		145
(g) Ohio	61,720	9		3	494	21,387	5		12	1		49
(h) Pennsylvania	84,150	9	3	7	592	22,916	11	5	4	5		74
(i) Texas	57,074	4			182	4,134	17		2	3		25
(j) Washington	21,555	3	1		274	5,358			4			6

Table 13.—Number of occupational tax stamps issued, covering the fiscal year 1959, or portion thereof, by class of tax and by internal revenue regions, districts, States, and Territories—Continued

Internal revenue regions and districts, States and Territories (States represented by single districts indicated in parentheses; totals for other States shown at bottom of table)	Wines				Beer					
	Wholesale dealers		Retail dealers		Brewers		Wholesale dealers, \$100	Retail deal- ers, \$22	Retail deal- ers at large, \$22	Temporary dealers in liquors (beer or wine), \$2.20 per month
	Wines, \$200	Wines and beer, \$200	Wines, \$50	Wines and beer, \$50	Less than 500 barrels, \$55	500 barrels or more, \$110				
	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)
United States, total	180	387	291	22,859	2	258	10,879	158,712	173	8,867
Atlanta region	7	117	83	7,287		9	536	24,450		70
Atlanta (Georgia)	1	18	30	853		2	62	1,579		
Birmingham (Alabama)	1			2			57	2,722		
Columbia (South Carolina)	2	20		1,206			50	3,290		39
Greensboro (North Carolina)	1	30	52	1,421			84	3,816		
Jackson (Mississippi)	2		1	120			73	3,176		9
Jacksonville (Florida)		49		3,685		7	124	4,759		1
Nashville (Tennessee)							86	5,108		21
Boston region	1	35		939		9	613	7,448	4	596
Augusta (Maine)	1						58	2,530		
Boston (Massachusetts)		3		16		7	374	190	4	308
Burlington (Vermont)		25		910			17	259		3
Hartford (Connecticut)		6		8		1	83	2,702		281
Portsmouth (New Hampshire)							30	1,712		
Providence (Rhode Island)		1		5		1	51	55		4
Chicago region	12	64	13	1,812		66	1,777	6,530		2,261
Chicago (See (c) below)	4	2	4	28		13	502	583		607
Detroit (Michigan)	8	60	9	1,772		11	294	355		488
Milwaukee (Wisconsin)		2		2		38	796	5,146		741
Springfield (See (c) below)				10		4	185	446		425
Cincinnati region	14	81	15	7,032		29	741	13,143	1	976
Cincinnati (See (g) below)	5	5	5	212		3	40	534	1	322
Cleveland (See (g) below)						8	62	331		246
Columbus (See (g) below)		3	1	557		1	26	346		61
Indianapolis (Indiana)	2	16	5	2,537		5	216	610		76
Louisville (Kentucky)	2		1			6	143	3,209		70
Parkersburg (West Virginia)	1			434		1	117	3,884		
Richmond (Virginia)	4	57	3	3,292		3	96	3,812		5
Toledo (See (g) below)						2	41	417		196
Dallas region	3	37	27	3,865	1	11	901	28,522	7	736
Albuquerque (New Mexico)	1	3	2	5			20	28		67
Austin (See (i) below)	2	12	24	3,171		6	431	15,102		55
Dallas (See (i) below)		2		393			169	3,208	6	5
Little Rock (Arkansas)		20	1	270			51	1,756		590
New Orleans (Louisiana)					1	4	118	3,734		19
Oklahoma City (Oklahoma)				26		1	112	4,694	1	

New York City region		83	1	81	159		22	758	27,289	48	1,058
Albany	(See (f) below)	1					4	108	3,484		128
Brooklyn	(See (f) below)	14					4	283	9,226	46	35
Buffalo	(See (f) below)	10		10	58		8	137	4,175		358
Lower Manhattan	(See (f) below)	34	1	35	45		1	51	1,375	2	23
Syracuse	(See (f) below)						3	93	3,055		424
Upper Manhattan	(See (f) below)	24		26	55		2	86	5,974		90
Omaha region		8	7	8	186		29	1,519	27,483	25	628
Aberdeen	(South Dakota)							71	1,496		14
Cheyenne	(Wyoming)							60	131		34
Denver	(Colorado)		3		36		3	97	1,137		5
Des Moines	(Iowa)				143		2	233	5,051	3	12
Fargo	(North Dakota)		1		1			47	392		5
Kansas City	(See (d) below)	3	1	3	1		2	111	1,804	5	19
Omaha	(Nebraska)	1					3	152	1,321		5
St. Louis	(See (d) below)	4	1	4	1		5	256	3,378	13	267
St. Paul	(Minnesota)	1	1	1	4		14	385	8,952	4	231
Wichita	(Kansas)							107	3,821		36
Philadelphia region		11	3	9	514	1	47	3,081	6,546	88	1,737
Baltimore	(Maryland and District of Columbia)	2	1	2	506		6	189	2,412		920
Camden	(See (e) below)	2	1	4	3		3	248	126	85	284
Newark	(See (e) below)	4		2	1		5	358	344	2	513
Philadelphia	(See (h) below)					1	16	984	1,741		6
Pittsburgh	(See (h) below)	3		1	4		7	996	1,317	1	
Scranton	(See (h) below)						10	297	585		11
Wilmington	(Delaware)		1					9	21		3
San Francisco region		41	42	55	1,065		36	953	17,301		805
Boise	(Idaho)		1		2		1	64	1,567		4
Helena	(Montana)						3	74	511		26
Honolulu	(Hawaii)				39		4	23	47		3
Los Angeles	(See (b) below)		1		1		8	299	5,574		159
Phoenix	(Arizona)						1	18	362		2
Portland	(Oregon)						1	58	2,069		80
Reno	(Nevada)							24	177		10
Salt Lake City	(Utah)						2	43	1,409		13
San Francisco	(See (b) below)	41	39	55	1,023		8	224	4,086		482
Seattle	(See (a) and (j) below)						8	126	1,499		26

Totals for States not shown above

(a) Alaska								15	33		
(b) California	41	40	55	1,024		16	523	9,660			641
(c) Illinois	4	2	4	38		17	687	1,029			1,032
(d) Missouri	7	2	7	2		7	367	5,182		18	286
(e) New Jersey	6	1	6	4		8	606	470	87		797
(f) New York	83	1	81	159		22	758	27,289	48		1,058
(g) Ohio	5	8	6	769		14	169	1,628	1		825
(h) Pennsylvania	3		1	4	1	33	2,277	3,643	1		17
(i) Texas	2	14	24	3,564		6	600	18,310	6		122
(j) Washington						8	111	1,466			26

Table 13.—Number of occupational tax stamps issued, covering the fiscal year 1959, or portion thereof, by class of tax and by internal revenue regions, districts, States, and Territories—Continued

Internal revenue regions and districts; States and Territories (States represented by single districts indicated in parentheses; totals for other States shown at bottom of table)	Narcotics						Marihuana				
	Manufacturers, importers, and compounders of opium, etc., \$24	Wholesale dealers, \$12	Retail dealers, \$3	Practi- tioners, \$1	Dealers in untaxed prepara- tions, \$1	Labora- tories, etc., \$1	Manufac- turers, \$24	Dealers, \$3	Produc- ers, \$1	Practi- tioners, \$1	Labora- tories, \$1
	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)
United States, total	136	1,134	54,762	270,262	2,295	331	5	19	3	99	11
Atlanta region	8	139	6,459	26,552	225	30		1		2	1
Atlanta (Georgia)	1	36	1,049	4,265	17	6					
Birmingham (Alabama)	1	18	858	2,990	12	4		1			
Columbia (South Carolina)	2	10	627	2,169	5	1				1	
Greensboro (North Carolina)		18	992	4,486	132	6					
Jackson (Mississippi)		6	571	2,018	27						
Jacksonville (Florida)		24	1,297	6,366	9	8				1	
Nashville (Tennessee)	4	27	1,065	4,258	23	5					1
Boston region	5	70	3,884	19,895	335	40				8	3
Augusta (Maine)		5	266	1,402	3	1					
Boston (Massachusetts)	4	37	2,054	10,529	75	25				5	3
Burlington (Vermont)		3	110	617	88	2					
Hartford (Connecticut)		15	953	5,026	129	10				3	
Portsmouth (New Hampshire)	1	3	162	884	2	1					
Providence (Rhode Island)		7	339	1,437	38	1					
Chicago region	16	139	6,494	31,306	174	33	1	4	1	3	1
Chicago (See (c) below)	3	39	2,429	11,878	49	16		1			1
Detroit (Michigan)	8	64	2,284	11,103	63	12		1		2	
Milwaukee (Wisconsin)	4	17	1,202	5,409	24	1	1		1		
Springfield (See (c) below)	1	19	579	2,916	38	4		1		1	
Cincinnati region	22	151	6,168	28,579	404	33		1	1	8	1
Cincinnati (See (g) below)	3	14	645	3,049	16	7				1	
Cleveland (See (g) below)	5	35	1,276	6,307	17	2		1		2	
Columbus (See (g) below)	3	13	387	2,381	16	2				1	
Indianapolis (Indiana)	4	40	1,354	5,553	36	8				2	
Louisville (Kentucky)		14	925	2,891	69	4			1	1	
Parkersburg (West Virginia)	1	8	373	2,088	1						1
Richmond (Virginia)	4	10	830	4,508	231	5				1	
Toledo (See (g) below)	2	17	378	1,802	18	7					
Dallas region	4	99	5,462	22,143	640	12		2		4	1
Albuquerque (New Mexico)		3	268	945	10	2					
Austin (See (i) below)	1	23	1,450	6,533	314	2				3	
Dallas (See (i) below)	2	31	1,270	5,634	276						1
Little Rock (Arkansas)		5	603	1,900	5						
New Orleans (Louisiana)	1	18	996	3,982	17	8		1		1	
Oklahoma City (Oklahoma)		19	875	3,149	18			1			

New York City region		24	90	6,382	38,359	121	49	2	2	10	
Albany	(See (f) below)	2	11	577	2,793	8	5			1	
Brooklyn	(See (f) below)	5	20	2,548	12,802	28	7				
Buffalo	(See (f) below)	5	11	802	4,780	16	5			3	
Lower Manhattan	(See (f) below)	4	21	379	1,834	16	6	2			
Syracuse	(See (f) below)	3	13	491	2,886	15	4				
Upper Manhattan	(See (f) below)	5	14	1,585	13,264	38	22		2	6	
Omaha region		11	145	5,882	25,069	132	21	1	2	1	35
Aberdeen	(South Dakota)		3	256	743	4					
Cheyenne	(Wyoming)		2	120	405						
Denver	(Colorado)		25	687	3,077	3	1				
Des Moines	(Iowa)		38	835	3,665	45	5			7	
Fargo	(North Dakota)		3	199	676						
Kansas City	(See (d) below)		19	643	2,860	29	1			2	
Omaha	(Nebraska)	1	9	645	2,083	10	2	1	1	1	26
St. Louis	(See (d) below)	8	17	802	3,661	30	10				
St. Paul	(Minnesota)	1	17	934	5,067	9	2		1		
Wichita	(Kansas)	1	12	761	2,832	2					
Philadelphia region		33	141	7,022	35,718	137	68	1	6	16	2
Baltimore	(Maryland and District of Columbia)	4	32	1,067	6,672	16	7			3	
Camden	(See (e) below)		2	531	2,520	4	1		1	1	
Newark	(See (e) below)	7	20	1,383	7,190	32	31		1	1	
Philadelphia	(See (h) below)	21	62	2,104	10,834	63	20	1	3	3	2
Pittsburgh	(See (h) below)	1	15	1,266	5,700	15	8			1	
Scranton	(See (h) below)		9	542	2,213	3			1	6	
Wilmington	(Delaware)		1	129	589	4	1			1	
San Francisco region		13	160	7,009	42,641	127	45	1		13	1
Boise	(Idaho)		2	232	861		1				
Helena	(Montana)		4	236	912	1	1				
Honolulu	(Hawaii)		8	67	748	27	1			1	
Los Angeles	(See (b) below)	7	51	2,321	17,617	44	27			10	
Phoenix	(Arizona)		9	382	1,484	6	1			1	
Portland	(Oregon)	2	8	579	3,030	5	2			1	
Reno	(Nevada)		1	115	410	1					
Salt Lake City	(Utah)		10	269	1,238	8	2				
San Francisco	(See (b) below)	3	36	1,778	12,186	27	6		1		1
Seattle	(See (a) and (j) below)	1	31	1,030	4,155	8	4				

Totals for States not shown above

(a) Alaska			39	161							
(b) California	10	87	4,099	29,803	71	33		1		10	1
(c) Illinois	4	58	3,008	14,794	87	20		2		1	1
(d) Missouri	8	36	1,445	6,521	59	11				2	
(e) New Jersey	7	22	1,914	9,710	36	32		2		2	
(f) New York	24	90	6,382	38,359	121	49	2	2		10	
(g) Ohio	13	79	2,686	13,539	67	16		1		4	
(h) Pennsylvania	22	86	3,912	18,747	81	28	1	4		10	2
(i) Texas	3	54	2,720	12,167	590	2				3	1
(j) Washington	1	31	991	3,994	8	4					

Table 13.—Number of occupational tax stamps issued, covering the fiscal year 1959, or portion thereof, by class of tax and by internal revenue regions, districts, States, and Territories—Continued

Internal revenue regions and districts; States and Territories (States represented by single districts indicated in parentheses; totals for other States shown at bottom of table)	National Firearms Act					Coin-operated devices, billiard, pool, and bowling alley premises			Adulterated, process or renovated butter, and filled cheese	Wagering, \$50
	Manufacturers or importers		Pawn-brokers, Class 3, \$300	Dealers other than pawn-brokers, Class 4, \$200	Dealers, Class 5, \$1	Billiard or pool room and bowling alley premises, \$20 per table or alley	Amusement device premises, \$10 per device	Gaming device premises, \$250 per device		
	Class 1, \$500	Class 2, \$25								
	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)	(41)	(42)
United States, total	14	3		62	251	33,432	295,076	17,560	18	8,448
Atlanta region				2	54	3,325	27,719	1,942	1	412
Atlanta (Georgia)					2	360	2,790	737		74
Birmingham (Alabama)						335	2,711	2	1	48
Columbia (South Carolina)					4	348	2,911	343		19
Greensboro (North Carolina)					13	919	3,566	85		48
Jackson (Mississippi)					3	286	3,472	245		102
Jacksonville (Florida)				1	17	543	6,469	5		85
Nashville (Tennessee)				1	15	534	5,800	525		36
Boston region	2			1	7	2,171	13,814	67		145
Augusta (Maine)					7	295	1,302			
Boston (Massachusetts)	1					980	5,628	57		114
Burlington (Vermont)						129	438			
Hartford (Connecticut)	1			1		416	3,884	2		12
Portsmouth (New Hampshire)						201	1,008	8		6
Providence (Rhode Island)						150	1,554			13
Chicago region	2	1		4	36	4,737	45,417	860	3	429
Chicago (See (c) below)					10	1,018	10,128	429	1	183
Detroit (Michigan)		1		1	18	1,340	12,407	62		25
Milwaukee (Wisconsin)	1					1,314	14,996	12		
Springfield (See (c) below)	1			3	8	1,065	7,886	357	2	220
Cincinnati region	1	1		11	69	4,513	38,877	4,119		1,573
Cincinnati (See (g) below)						319	3,183			54
Cleveland (See (g) below)		1		1	41	815	8,175	47		145
Columbus (See (g) below)				1	2	319	3,068	27		23
Indianapolis (Indiana)				4	12	908	6,796	1,780		653
Louisville (Kentucky)				1	6	735	5,369	1,265		391
Parkersburg (West Virginia)					2	494	4,729	930		209
Richmond (Virginia)	1			4	6	491	4,428	5		15
Toledo (See (g) below)						432	3,129	65		83
Dallas region		1		1	18	3,059	26,942	1,489	8	927
Albuquerque (New Mexico)				1	3	158	1,548	7		7
Austin (See (i) below)					1	1,233	8,607	38	4	276
Dallas (See (i) below)					1	411	3,891	20		37
Little Rock (Arkansas)		1				387	2,307	434	2	101
New Orleans (Louisiana)					4	415	7,406	659		338
Oklahoma City (Oklahoma)					9	455	3,183	331	2	168

		1		8	8	1,662	24,190	294		23
New York City region		1			1					
Albany	(See (f) below)	1			1	302	4,581			1
Brooklyn	(See (f) below)					340	5,802			1
Buffalo	(See (f) below)			1		219	4,549	289		13
Lower Manhattan	(See (f) below)			5	1	90	1,184			
Syracuse	(See (f) below)				1	434	4,201	5		6
Upper Manhattan	(See (f) below)			2	5	277	3,873			2
Omaha region		1		10		6,028	34,154	621	3	345
Aberdeen	(South Dakota)					350	1,579	231		21
Cheyenne	(Wyoming)				1	132	1,024	137		177
Denver	(Colorado)				2	393	2,610			3
Des Moines	(Iowa)					1,225	5,238	19		
Fargo	(North Dakota)				1	437	1,398	7		20
Kansas City	(See (d) below)				4	503	3,435	19		38
Omaha	(Nebraska)				1	779	3,186	22		35
St. Louis	(See (d) below)				1	624	6,245	29	3	17
St. Paul	(Minnesota)			1		787	5,529	2		5
Wichita	(Kansas)				1	798	3,910	155		29
Philadelphia region		4		6	12	4,278	48,156	3,602		421
Baltimore	(Maryland and District of Columbia)	3		3	7	599	8,232	3,224		3
Camden	(See (e) below)					283	3,431	14		1
Newark	(See (e) below)			2		675	7,771	2		21
Philadelphia	(See (h) below)			1	3	965	11,475	313		84
Pittsburgh	(See (h) below)	1			2	1,141	9,866	6		126
Scranton	(See (h) below)					567	6,904	35		162
Wilmington	(Delaware)					48	477	8		24
San Francisco region		4		28	37	3,659	35,807	4,566	3	4,173
Boise	(Idaho)				3	202	1,612	7	2	4
Helena	(Montana)					217	2,195	54		355
Honolulu	(Hawaii)					224	1,261	30		5
Los Angeles	(See (b) below)	4		27	1	844	8,357	5	1	3
Phoenix	(Arizona)				2	165	2,199	93		8
Portland	(Oregon)					403	2,948	276		102
Reno	(Nevada)				2	54	1,246	1,438		182
Salt Lake City	(Utah)				1	200	1,206	124		646
San Francisco	(See (b) below)			1	12	811	10,344	50		
Seattle	(See (a) and (j) below)				16	539	4,439	2,489		2,868

Totals for States not shown above

(a) Alaska				1	61	593	249		178
(b) California	4		28	13	1,655	18,701	55	1	3
(c) Illinois	1		3	18	2,083	18,014	786	3	403
(d) Missouri				2	1,127	9,680	48	3	55
(e) New Jersey				2	958	11,202	16		22
(f) New York	1			8	1,662	24,190	294		23
(g) Ohio		1		43	1,885	17,555	139		305
(h) Pennsylvania	1			2	2,673	28,245	354		372
(i) Texas				5	1,644	12,498	58	4	313
(j) Washington				15	478	3,846	2,240		2,690

Table 14.—Appellate Division processing of protested income, profits, estate, and gift tax cases prior to issuance of statutory notice of deficiency (pre-90-day cases)

A. Progress of work

Status	Number of cases (1)	Amount stated in revenue agent's report (thousand dollars)		
		Deficiency in tax (2)	Penalty (3)	Overassessment (4)
Pending in pre-90-day status July 1, 1958.....	12, 394	484, 653	32, 534	171, 223
Net receipts from district directors during year.....	17, 379	460, 904	27, 147	161, 609
Processed during year, total.....	16, 475	384, 166	26, 163	124, 342
Agreed.....	11, 785	242, 833	14, 684	120, 813
Unagreed overassessments and claim rejections.....	625	593	(¹)	2, 124
Statutory notices issued—transferred to 90-day status.....	4, 065	140, 740	11, 478	1, 405
Pending in pre-90-day status June 30, 1959.....	13, 298	561, 391	33, 519	208, 489

¹ Deficit figure less than \$500.

B. Results obtained in cases processed

Method	Number of cases	Appellate determination (thousand dollars)		
		Deficiency in tax	Penalty	Overassessment
Processed during year, total.....	16, 475	271, 191	21, 650	127, 517
Agreed.....	11, 785	123, 453	6, 245	125, 519
Unagreed overassessments and claim rejections.....	625	6	(¹)	1, 912
Statutory notices issued—transferred to 90-day status.....	4, 065	147, 732	15, 405	87

¹ Deficit figure less than \$500.

Table 15.—Appellate Division processing of protested income, profits, estate, and gift tax cases in which statutory notices of deficiency were outstanding (90-day cases)

A. Progress of work

Status	Number of cases	Amount stated in statutory notice (thousand dollars)		
		Deficiency in tax	Penalty	Overassessment
Pending in 90-day status July 1, 1958.....	1, 874	46, 414	4, 006	5
Net receipts during year, total.....	4, 384	154, 161	15, 638	101
Statutory notices issued by Appellate Division ¹	4, 004	146, 606	15, 425	57
Cases resulting from district directors' statutory notices.....	380	7, 555	213	45
Processed during year, total.....	4, 928	141, 556	15, 119	23
Agreed.....	606	15, 607	205	2
Defaulted.....	1, 124	16, 155	1, 046	3
Petitioned to the Tax Court—transferred to docketed status.....	3, 198	109, 794	13, 868	19
Pending in 90-day status June 30, 1959.....	1, 330	59, 018	4, 525	83

¹ Difference from table 14—transferred to 90-day status—is caused by cases being combined or split for the purpose of issuing the statutory notice, cases in transit, etc.

B. Results obtained in cases processed

Method	Number of cases	Appellate determination (thousand dollars)		
		Deficiency in tax	Penalty	Overassessment
Processed during year, total.....	4, 928	133, 390	15, 020	33
Agreed.....	606	7, 441	107	11
Defaulted.....	1, 124	16, 155	1, 046	3
Petitioned to the Tax Court—transferred to docketed status.....	3, 198	109, 794	13, 868	19

Table 16.—Appellate Division processing of income, profits, estate, and gift tax cases petitioned to the Tax Court (docketed cases)

A. Progress of work

Status	Number of cases	Amount petitioned (thousand dollars)		
		Deficiency in tax	Penalty	Overassessment
Pending in docketed status July 1, 1958.....	10,395	684,914	105,947	6,559
Net receipts during year, total.....	7,002	277,787	39,973	1,146
Petitions filed in response to—				
District directors' statutory notice.....	4,131	167,296	28,345	42
Appellate Division's statutory notice ¹	2,824	98,835	11,545	1,104
Cases reconsidered after trial.....	47	11,656	83	
Processed during year, total.....	5,649	242,677	37,405	2,469
Agreed—stipulated.....	4,478	194,462	30,847	2,458
Dismissed or defaulted.....	310	3,493	1,395	1
Tried before the Tax Court on merits.....	861	44,723	5,163	11
Pending in docketed status June 30, 1959.....	11,748	720,024	108,515	5,236

¹ Difference from table 15—transferred to docketed status—is caused by excluding district directors' statutory notices considered by Appellate in 90-day status, cases in transit, etc.

B. Results obtained in cases processed

Method	Number of cases	Appellate determination (thousand dollars)		
		Deficiency in tax	Penalty	Overassessment
Processed during year, total.....	5,649	114,760	17,849	12,876
Agreed—stipulated.....	4,478	66,695	11,320	12,865
Dismissed or defaulted.....	310	3,342	1,366	1
Tried before the Tax Court on merits ¹	861	44,723	5,163	11

¹ Represents amounts petitioned. Results as to decisions rendered by the Tax Court during the year are shown in table 18.

Table 17.—Receipt and disposal of income, profits, estate, and gift tax cases in the Tax Court

Status	Number of cases	Amount in dispute (thousand dollars)		
		Deficiency in tax	Penalty	Overpayment
	(1)	(2)	(3)	(4)
Pending July 1, 1958.....	11,333	766,411	105,947	689,448
Filed or reopened during year.....	6,950	297,185	34,810	123,499
Disposed of during year.....	5,579	253,540	32,242	172,283
Pending June 30, 1959.....	12,704	810,057	108,515	640,664

Table 18.—Results obtained in income, profits, estate, and gift tax cases disposed of in the Tax Court

Basis of closing	Number	Amount in dispute		Amount approved		Saved or recovered	
		Deficiency and penalty	Overpay-ment	Deficiency and penalty	Overpay-ment	Amount	Percent of amount in dispute
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Total.....	5, 579	(Thousand dollars)					60.1
		285, 781	172, 283	109, 521	6, 325	275, 479	
Dismissed	310	4, 888	99	4, 709	-----	4, 808	96.4
Decision on merits.....	791	55, 585	21, 018	26, 798	6, 320	41, 497	54.2
Agreed settlement.....	4, 478	225, 308	151, 165	78, 014	6	229, 174	60.9

Table 19.—Receipt and disposal of Tax Court cases in courts of appeals or in Supreme Court

Status	In courts of appeals		In Supreme Court	
	Number of cases	Amount (thousand dollars)	Number of cases	Amount (thousand dollars)
	(1)	(2)	(3)	(4)
Pending July 1, 1958, total.....	371	45,376	13	r 366
Appealed by Commissioner.....	48	8,392	8	r 344
Appealed by taxpayers.....	313	36,550	5	22
Appealed by both.....	10	435	-----	-----
Appealed during year, total.....	307	33,111	5	59
By Commissioner.....	53	14,420	3	12
By taxpayers.....	249	14,394	2	47
By both.....	5	4,296	-----	-----
Disposed of during year, total ¹	298	33,671	13	366
Favorable to Commissioner.....	145	5,090	5	184
Favorable to taxpayers.....	57	8,914	5	45
Modified.....	46	5,799	3	138
Settled.....	4	787	-----	-----
Dismissed.....	46	13,081	-----	-----
Pending June 30, 1959, total.....	380	44,816	5	59
Appealed by Commissioner.....	56	9,929	3	12
Appealed by taxpayers.....	314	31,120	2	47
Appealed by both.....	10	3,766	-----	-----

^r Revised.

¹ The number of cases disposed of does not agree with the number of cases in which decisions were rendered by these courts during the year, due to the time required for retrial, recomputation of tax, etc. For the number of decisions, see table 21.

Table 20.—Receipt and disposal of suits filed by taxpayers in Federal courts

	Total (1)	Court of Claims (2)	District courts (3)
Pending July 1, 1958: ¹			
Cases..... number.....	2, 813	487	2, 326
Amount in dispute..... thousand dollars.....	465, 123	282, 782	182, 341
Received during year:			
Cases..... number.....	1, 274	176	1, 098
Amount in dispute..... thousand dollars.....	173, 959	86, 577	87, 382
Disposed of during year: ²			
Cases..... number.....	1, 326	196	1, 130
Amount in dispute..... thousand dollars.....	138, 463	87, 990	50, 473
Refunded during year:			
Amount..... thousand dollars.....	39, 366	20, 593	18, 773
Percent of amount disposed of.....	28. 43	23. 40	37. 19
Pending June 30, 1959: ¹			
Cases..... number.....	2, 761	467	2, 294
Amount in dispute..... thousand dollars.....	500, 619	281, 369	219, 250

Note.—Suits filed by taxpayers are primarily suits for refund of taxes (other than those relating to alcohol, tobacco, and firearms taxes).

¹ Inventories at beginning of year included 3 processing tax cases involving \$108,136.83; 1 case in amount of \$37,134.95 no part of which was refunded, was disposed of during year; 2 cases involving \$71,001.88 were pending June 30, 1959.

² The number of cases disposed of does not agree with the number of cases in which decisions were rendered by these courts during the year, due to settlements by stipulation, dismissals, and time required for retrial, recomputation of tax etc. In the Court of Claims the number of decisions was 78, of which 57 were for the Government, 18 against the Government, and 3 partly for and partly against the Government. In the district courts 414 decisions were rendered of which 168 were for the Government, 200 against the Government, and 46 partly for and partly against the Government. For decisions by the courts of appeals and the Supreme Court, see table 21.

Table 21.—Civil tax cases decided by courts of appeals and Supreme Court

Court	Total (1)	For the Government (2)	Against the Government (3)	Partly for and partly against the Government (4)
Total.....	428	253	130	45
By courts of appeals, total.....	405	230	130	45
Originally tried in—				
Tax Court.....	284	159	87	38
District courts.....	121	71	43	7
By Supreme Court, total.....	23	23		
Originally tried in—				
Tax Court.....	9	9		
District courts.....	13	13		
Court of Claims.....				
State courts.....	1	1		

Note.—Except for Supreme Court cases, the cases covered by tables 24 and 25 are not included.

Table 22.—Receipt and disposal of claims pending and suits filed by the United States in Federal and State courts

Status	Number			Amount (thousand dollars)		Percent recovered
	Total	In suit	Not in suit	In dispute	Recovered	
	(1)	(2)	(3)	(4)	(5)	
Pending July 1, 1958.....	91	72	19	2, 978		
Received during year in suit and for institution of suit.....	23	14	9	185		
Total.....		86	28			
Suits instituted during year.....		18	18			
Total to be accounted for.....	114	104	10	3, 163		
Disposed of during year.....	68	64	4	3, 135	409	13. 05
Pending June 30, 1959.....	46	40	6	28		

Note.—This table includes primarily cases pertaining to perpetuation of testimony and damages (other than those relating to alcohol, tobacco, and firearms taxes).

Table 23.—Receipt and disposal by the Office of the Chief Counsel of collection, erroneous refund, subpoena, summons, and injunction cases

Status	Number of cases
Pending July 1, 1958.....	1, 145
Received.....	949
Total.....	2, 094
Disposed of.....	845
Pending June 30, 1959.....	1, 249

Note.—This table includes cases handled at national and regional levels which are under consideration for suit or are in suit in Federal and State courts. It does not include cases relating to alcohol, tobacco, and firearms taxes, neither does it pertain to insolvency and debtor proceedings or lien cases which are included in tables 24 and 25.

Table 24.—Receipt and disposal by the Office of the Chief Counsel of insolvency and debtor proceedings

Status	Total	Reorganization proceedings ¹	Bankruptcy and receivership proceedings ²	Miscellaneous insolvency proceedings ³
	(1)	(2)	(3)	(4)
Pending July 1, 1958.....	1, 743	791	425	527
Received.....	2, 667	1, 113	811	743
Total.....	4, 410	1, 904	1, 236	1, 270
Disposed of.....	2, 509	1, 044	783	682
Pending June 30, 1959.....	1, 901	860	453	588

Note.—Includes cases handled at national and regional levels.

¹ Proceedings instituted under the following sections or chapters of the Bankruptcy Act: Secs. 75 (agricultural compositions and extensions) and 77 (railroad reorganizations) and chs. X (corporate reorganizations), XI (arrangements as to unsecured indebtedness), XII (real property arrangements), and XIII (wage earners' plans), which involve tax claims and other rights and interests of the United States, and also require action by lawyers.

² Bankruptcy liquidation proceedings and Federal or State receivership proceedings which involve tax claims of the United States, and also require action by lawyers.

³ Proceedings relating to corporate dissolutions, insolvent banks, assignments for the benefit of creditors or administration of estates of decedents, which involve tax claims of the United States, and also require action by lawyers.

Table 25.—Receipt and disposal by the Office of the Chief Counsel of lien cases and noncourt civil advisory cases

Status	Total (1)	Lien cases		Noncourt civil advisory cases ³ (4)
		In court ¹ (2)	Not in court ² (3)	
Pending July 1, 1958.....	1,610	806	219	585
Received.....	7,233	2,642	2,501	2,090
Total.....	8,843	3,448	2,720	2,675
Disposed of.....	7,146	2,631	2,512	2,003
Pending June 30, 1959.....	1,697	817	208	672

Note.—Includes cases handled at national and regional levels.

¹ Primarily suits for foreclosure by mortgagees or other secured creditors and suits to quiet title to which the United States is made a party.

² Primarily applications for discharge of property from tax liens.

³ Primarily memorandums on civil advisory matters from regional counsel to district directors which are not related to court proceedings or lien cases.

Table 26.—Obligations incurred by the Internal Revenue Service

[In thousands of dollars]

Internal Revenue office, district, or region	Total (1)	Salaries (2)	Travel (3)	Communi- cation services (4)	Rent and utility services (5)	Supplies and equip- ment (6)	Other (7)
A. National Office and regional totals (including district directors' offices and service centers)							
Total, Internal Revenue Service.....	355,469	301,425	8,131	6,577	2,000	5,161	32,175
National Office.....	34,394	18,692	987	4,015	87	835	9,778
Atlanta region.....	29,583	25,611	984	209	19	508	2,252
Boston region.....	23,073	20,005	407	187	588	348	1,538
Chicago region.....	36,536	32,522	597	319	49	461	2,588
Cincinnati region.....	40,968	35,720	853	287	618	617	2,873
Dallas region.....	23,582	20,612	823	156	28	307	1,656
New York City region.....	41,774	37,698	360	433	25	417	2,841
Omaha region.....	28,322	24,956	900	162	14	396	1,894
Philadelphia region.....	43,540	39,058	607	350	48	464	3,013
San Francisco region.....	42,488	37,073	935	333	502	619	3,026
Regional counsel.....	5,417	4,730	97	85	1	139	365
Regional inspection.....	3,874	3,102	484	37		29	222
International Operations Division.....	1,918	1,646	97	4	21	21	129
B. Regional commissioners' offices (excluding district directors' offices and service centers)							
Atlanta region.....	5,768	4,599	298	51	5	226	589
Boston region.....	2,692	2,275	114	26	6	70	201
Chicago region.....	4,718	4,080	82	52	9	100	395
Cincinnati region.....	7,259	6,250	201	47	12	176	573
Dallas region.....	3,369	2,842	134	28	6	92	267
New York City region.....	6,496	5,762	80	73	2	118	461
Omaha region.....	3,552	2,999	149	31	5	96	272
Philadelphia region.....	6,441	5,549	160	57	8	138	529
San Francisco region.....	5,189	4,431	206	42	8	100	402
C. District directors' offices and service centers							
Atlanta:							
Atlanta.....	3,913	3,450	118	24	2	47	272
Birmingham.....	2,990	2,654	76	19	1	37	203
Columbia.....	2,029	1,790	56	16	3	24	140
Greensboro.....	4,261	3,730	137	25	3	51	315
Jackson.....	1,669	1,454	64	14	1	25	111
Jacksonville.....	5,287	4,673	147	37	3	53	374
Nashville.....	3,666	3,261	88	23	1	45	248

Table 26.—Obligations incurred by the Internal Revenue Service—Continued

(In thousands of dollars)

Internal Revenue office, district, or region	Total	Salaries	Travel	Communi- cation services	Rent and utility services	Supplies and equip- ment	Other
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
C. District directors' offices and service centers—Continued							
Boston:							
Augusta.....	1,357	1,192	46	13	1	17	88
Boston.....	7,835	7,063	100	81	12	71	508
Burlington.....	679	584	29	7		12	47
Hartford.....	4,361	3,928	66	29	9	40	289
Portsmouth.....	986	857	33	9	3	18	66
Providence.....	1,644	1,486	15	15	1	21	106
Northeast Service Center.....	3,519	2,620	4	7	556	99	233
Chicago:							
Chicago.....	12,278	11,039	103	120	13	137	866
Detroit.....	10,106	9,062	165	77	17	109	676
Milwaukee.....	5,043	4,493	104	39	5	61	341
Springfield.....	4,391	3,848	143	31	5	54	310
Cincinnati:							
Cincinnati.....	3,317	2,983	43	19	1	40	231
Cleveland.....	6,568	5,893	81	69	13	69	443
Columbus.....	2,073	1,852	40	16	3	25	137
Indianapolis.....	5,530	4,963	115	30	8	55	359
Louisville.....	3,398	2,998	95	27	1	43	234
Parkersburg.....	2,241	1,919	83	18	36	37	148
Richmond.....	4,217	3,695	142	42	4	51	283
Toledo.....	2,129	1,893	47	14	5	23	147
Midwest Service Center.....	4,236	3,274	6	5	535	98	318
Dallas:							
Albuquerque.....	1,046	900	46	10	2	17	71
Austin.....	5,613	4,963	177	36	2	56	379
Dallas.....	5,594	4,929	192	32	16	54	371
Little Rock.....	1,758	1,493	97	12		26	130
New Orleans.....	3,310	2,921	96	19	1	31	242
Oklahoma City.....	2,892	2,564	81	19	1	31	196
New York City:							
Albany.....	2,530	2,256	50	26	5	24	169
Brooklyn.....	8,653	7,831	57	101	6	82	576
Buffalo.....	3,598	3,242	60	24	3	29	240
Lower Manhattan.....	7,082	6,481	21	67	3	43	467
Upper Manhattan.....	11,077	10,055	32	125	5	95	765
Syracuse.....	2,338	2,071	60	17	1	26	163
Omaha:							
Aberdeen.....	987	836	64	3		13	71
Cheyenne.....	675	576	37	3		13	46
Denver.....	2,693	2,404	62	18	1	30	178
Des Moines.....	3,471	3,065	119	20	1	36	230
Fargo.....	923	793	53	4		15	58
Kansas City.....	2,668	2,394	59	12	1	27	175
Omaha.....	2,205	1,953	64	10	1	28	149
St. Louis.....	3,638	3,268	64	13	1	60	232
St. Paul.....	4,434	3,951	115	29	3	46	290
Wichita.....	3,076	2,717	114	19	1	32	193
Philadelphia:							
Baltimore.....	7,601	6,895	78	62	5	56	505
Camden.....	2,922	2,626	54	18	2	31	191
Newark.....	7,925	7,145	61	101	19	64	535
Philadelphia.....	9,228	8,339	117	65	6	87	614
Pittsburgh.....	6,092	5,503	81	29	6	56	417
Scranton.....	2,216	1,997	40	13	1	21	144
Wilmington.....	1,115	1,004	16	5	1	11	78
San Francisco:							
Boise.....	1,037	901	43	8		14	71
Helena.....	1,104	956	52	9		14	73
Honolulu.....	1,258	1,141	18	9		12	78
Los Angeles.....	12,302	10,975	150	118	31	139	889
Phoenix.....	1,415	1,248	39	12	1	16	99
Portland.....	2,664	2,340	87	15	1	33	188
Reno.....	852	751	21	6		14	60
Salt Lake City.....	1,235	1,096	26			24	83
San Francisco.....	8,540	7,619	163	67	5	97	589
Seattle.....	4,299	3,774	124	35	4	55	307
Western Service Center.....	2,593	1,841	6	6	452	101	187

Table 27.—Cost of printing and binding

Class of work	1959			1958		
	Quantity (thousands)		Cost (thousand dollars)	Quantity (thousands)		Cost (thousand dollars)
	Items or sets	Packages		Items or sets	Packages	
	(1)	(2)	(3)	(1)	(2)	(3)
Total.....	1, 469, 441	-----	7, 131	1, 662, 537	-----	7, 312
Packages of tax returns and instructions for major mailings to taxpayers, total.....	297, 960	63, 679	902	400, 502	67, 700	1, 035
Package 1 (Form 1040 nonbusiness).....	107, 000	21, 400	341	131, 700	26, 340	431
Package 2 (Form 1040 nonbusiness with estimated tax).....	48, 270	8, 045	145	29, 718	4, 953	94
Package 3 (Form 1040 business).....	50, 040	6, 255	175	48, 944	6, 118	183
Package 4 (Form 1040 farm).....	27, 400	3, 425	91	26, 776	3, 347	101
Form 1040A.....	46, 802	23, 401	125	38, 244	19, 122	67
Employment tax package.....	18, 448	1, 153	25	¹ 125, 120	¹ 7, 820	¹ 159
Other tax returns, instructions, public-use forms, and pamphlets.....	715, 691	-----	2, 314	826, 458	-----	2, 547
Administrative forms and pamphlets.....	396, 664	-----	1, 337	374, 365	-----	981
Field printing.....	59, 126	-----	198	61, 212	-----	202
Excise tax stamps.....	(²)	-----	2, 380	(²)	-----	2, 547

¹ Employment tax returns and instructions were prepared in package form for the first time in 1958. Figure includes purchases for both 1957 and 1958 tax years.

² Excise tax stamps numbered 23,869,651,000 in 1959 and 23,808,610,000 in 1958. These figures are not included in the total.

INDEX

A		Alcohol and tobacco tax—Con.	
Acts:	Page	Excise Tax Technical	Page
Administrative procedure	49	Changes Act of 1958	43, 48, 63
Bankruptcy	31, 55	Federal Alcohol Administra-	
Excise Tax Technical		tion Act	43
Changes, 1958	43, 48, 63	Investigations	15
Federal Alcohol Administra-		Label activity	44, 117
tion	43, 117	Liquor Enforcement Act of	
Government Employees		1936	18
Training	70	Permits	43, 115, 116
Jencks	21	Program	15, 43, 71
Liquor Enforcement Act,		Prosecution cases	20
1936	18	Raids	15
Miller	32	Raw materials	15
National and Federal Fire-		Regulations	49
arms	18	Return system inaugurated,	
Oklahoma Prohibition Ord-		savings effected	4, 43, 75
nance and Enabling	18	Seizures	16, 17, 18
Renegotiation Act of 1951	63, 64	Stamp system eliminated	43
Tax Rate Extension, 1959	64	Still	15, 16
Technical Amendments Act		Sugar	16
of 1958	48, 50, 51, 61, 64	Supervision of:	
Adjustments	38	On-premises	44
Aids for taxpayers:		Statistics on	44, 47
Films	60	Tobacco	16, 43, 47, 94-95, 104
Newspapers	60	Wine	16, 43, 44, 106
Publications	58	Appeals and civil litigation:	
School programs	58, 60	Appellate Division	25-29
Self-help methods	57-60	Civil litigation	29-33
Telephone techniques	58	Closing agreement cases	29
Television	60	Compromise cases	29
Alcohol and tobacco tax:		Disposals, increase in	25
Administration of	43	Excess profits tax, relief	
Arrests	15, 16	from	28-29
Authorization of opera-		New settlement procedure	28
tions	43	Protest cases	25-28, 126
Beer	43	Statistics on	25-33, 126, 128
Chemical analyses and re-		Arkansas	31
search	47	Assessments, additional. (See	
Collection of	3, 4,	Taxes.)	
43, 90-95, 104, 106, 109		Assistance. (See Taxpayer as-	
Criminal action, results of	21	sistance.)	
Enforcement program	15	Atlanta	9
Establishments:		Audit, prerefund:	
Inspection of	44	Collections, from enforce-	
Permittees	44	ment activities, individual	
Plants	44	and fiduciary	36
Qualified to produce	44, 114	Increase in returns	10, 13

	Page
Audit training program	12
Awards, incentive	69

B

Beer. (<i>See</i> Alcohol and tobacco tax program.)	
Beck, Dave	22
Belgium	62
Blue Ribbon program	11, 67
Boston	9, 77
Bulletin, Internal Revenue	33, 52

C

Card return form	7
Carryback applications, increase in	38
Changes in tax liability	35
Chart of Internal Revenue Service Organization	XIV
Chemical analyses and research	47
Chicago	9
Chief Counsel, office of:	
Analysis of cases flowing through	19, 20
Disposal of cases by	20, 21, 131, 132
In cases involving criminal prosecution	20-21
Personnel statistics	70
Role in compromise cases	29
Cincinnati	9
Civil Advisory Legal services:	
Bankruptcy Act, proceedings in	55
General	55-56
Statistical report on	130-132
Supreme Court decisions in	56
Civil litigation	29-33
Civil Service Commission, Federal Merit Promotion program	67, 71
Claims. (<i>See</i> specific item.)	
Closing agreement cases	29, 54
Collection activity reorganization	11
Collections:	
Alcohol	3, 4, 90-93, 104, 106, 109
Comparison of	3
Corporation income tax	3, 4, 35, 36, 37, 88, 104, 106, 109
Delinquent accounts.	22
Depositary receipt method of paying	4
Disability insurance	3, 88, 104, 106

Collections—Continued

Employment tax	3, 4, 88, 104, 106, 109
Estate tax	3, 4, 90-91, 104, 106, 109
Excess profits tax	29, 104, 106, 109
Excise tax	3, 4, 7, 90-102, 104-109
General	3
Gift tax	3, 4, 90-91, 104, 106, 109
Individual income tax	3, 4, 88, 104, 106, 109
Occupational stamps	118
Old-age insurance	3, 4, 88, 104, 106
Principal sources	88, 109
Railroad retirement	3, 4, 88, 104, 106
Reorganization of collection activity	11
Stamp taxes	94, 104, 107, 118
Taxpayer Service Branch	11
Tobacco	3, 4, 94, 104, 107, 109
Unclassified	3, 4, 102, 105, 108, 109
Unemployment	3, 4, 88, 104, 106
Colorado	31
Commissioner:	
Acquiescences	33
Federal-State cooperation, program for	15
Nonacquiescences	33
Summary and Transmittal letter	III
Compromise cases	29
Corporation income taxes:	
Additional from enforcement efforts	35-36
Decrease in	3, 4
Refunds of	37, 39
Returns examined	13
Statistics on	82, 88-89, 104, 106, 109
Cost of operations	75
Court(s):	
Circuit courts of appeals	29, 130
Of appeals of West Virginia	32
Of claims	30, 130
Supreme, of the U.S.	21, 29-33, 129, 130
The Tax, of the U.S.	25, 28, 29, 30, 33, 128, 129
U.S. District	30, 130

	Page		Page
Credits and refunds statistics on	58	Estate tax:	
Criminal prosecution:		Appellate Division processing of	26, 126, 128
Analyses of cases in	19-22	Collections	3
Cases, disposal of	20		4, 90-91, 104, 105, 109
Of tax cases	19-22	Increase in assessments	35, 36
Supreme Court decisions	21-22	Refunds of	37, 39
		Returns examined	13
D		Returns filed	9
Dallas	9	Estimated tax, declarations of:	
Delinquent accounts:		Corporation	9
Collection of	22-23	Individual	7, 9
Foreign addresses	61	Excess profits tax:	
Investigations of	23	Additional from enforcement efforts	36
Statistics on	22-23	Council	29
Delinquent returns:		Reduction in	28
Assessments secured	24, 36	Refunds of	37
Decrease in	24, 36	Relief claims	28-29
Failure to file	24	Statistics on	26,
DeLucia, Paul	21		28, 29, 88-89, 104, 106, 109
Depository receipt method:		Excise taxes:	
Of paying taxes	4	Collections, increase in	3,
Purchases	4		4, 35, 36, 90-91, 96-103, 104,
Determination letters	51, 52		106, 107, 109.
Disability insurance taxes	3, 4,	Decrease in returns of	7, 9
	9, 88-89, 106	Increase in Appellate Division cases	28
District Audit Divisions, reorganization of	13	Refunds of	36, 37, 39
		Returns examined	13, 35
E		Executive Development Training program	67, 71
Educational expenses, deduction for	39		
Electronic data processing	77, 78	F	
Emblem, retiree	68	"Farmer's Gas Tax Refund"	59
Employee-management relations	68	"Farmer's Tax Guide"	59
Employer withholdings	3	"Federal Gas Tax Refund for Nonhighway and Transit Users"	59
Employment taxes:		Federal-State cooperation	15
Collection of	3, 4, 28, 36,	"Federal Use Tax on Highway Motor Vehicles"	59
	88-89, 104, 106, 109	Fiduciary tax returns:	
Examined	13	General	9, 13
Increase in	4, 28, 35, 36	Increase in amount of taxes on	35, 36
Refunds of	36, 37, 39	Films	60
Enforcement work:		Firearms:	
Audit of returns	12, 35, 36	Investigational work	18
General	12	National and Federal Firearms Act	18
Passenger vehicles for	72	Program	18
Personnel, audit, decrease in	12	Registration of	18
Training program	12		
Error cases	10		
Estate and gift tax agents	12		

	Page		Page
Fiscal Management:		Income tax(es)—Continued	
Advisory group	79	Individual	3, 4,
Appropriations, utilization		36, 37, 38, 88–89, 104, 106, 109	
of	75	Results of criminal action	21
Cost of operations	75	Indictments	21
Division	76	Individual income taxes:	
Evaluation surveys	77	Additional from enforcement	
Expenditures, statistics on	76	efforts	36
Mechanization of opera-		Decrease in returns of	7, 9
tions	76–78	Increase in collections of	3, 4,
Obligations, comparison of	76, 132	35	
Florida	30	Refunds of	37, 38, 39
Form(s):		Statistics on	3,
Management	73	4, 7, 9, 10, 81, 88–89, 104	
New	50, 51, 62	Total examined	13
Return, simplified card for	7	Total verified	10
Revision of	50	Information program:	
Storage and distribution of	75	Films	60
Tax return program	50	For citizens abroad	61
Fraud:		Magazines	60
Investigations of:		Other communication	
Applicants for enroll-		media	60
ment to practice	14	Press	60
Decrease in	13	Radio	60
Statistics on	14	Taxpayer assistance kit	60
		Television	60
G		Information returns:	
Gift taxes:		Ownership certificates, divi-	
Appellate Division process-		dends on stock	11
ing of	26, 126, 128	Total received	10
Assessments, increase in	35, 36	W-2's	10
Refunds of	37, 39	Informers:	
Statistics on	3, 4,	Claims, disposal of	19
9, 13, 90–91, 104, 106, 109		Rewards to	19
H		Ingram, et al. v. U.S	22
Helvering v. Bankline Oil Co	31	Interest	36, 37
H.R. 10	63	Internal audit controls, statistics	
4245	64	on	65
7086	63	Internal security (see also Inves-	
7125	43, 63	tigations)	65–66
7523	64	International activities:	
8381	64	London	61
13549	64	Manila	61
Huss v. Smith	31	Ottawa	61
I		Paris	61
Incentive awards	69	Puerto Rico	61
Income tax(es):		Virgin Islands	61
All returns	7, 9, 10, 88–103, 109	International tax conventions:	
Corporation:		Belgium	62
Collections	3, 4,	General	62
88–89, 104–106, 109		Norway	62
Decrease in	3, 4	Pakistan	62
Total	3, 4, 82, 88	United Kingdom	62
Employment	3, 4, 88–89, 104, 109	International Tax Relations	
		Division	62

	Page		Page
Investigations:		Manila	61
Coin-operated gaming de-		Map of Internal Revenue Regions	
vices	14	and Districts	xiii
Decrease in	66	Mathematical verification:	
Delinquency	24	Error cases, decrease in . .	10
Discontinued	14	Results of	10
Fraud	13, 14	From enforcement ef-	
Miscellaneous	14	forts	35, 36
Of applicants for enrollment		Total returns verified . . .	10
to practice	14	Decrease in	10, 35
Personnel	66	Mechanization	77
Police check	66		
Preliminary	14	N	
Prosecutions not recom-		New York region	9
mended	14		
Prosecutions recommended .	13, 14	O	
Summary of	66	Obligations incurred, Internal	
Tort claim	66	Revenue Service	76, 132-133
Wagering	14	Occupational tax returns, in-	
		crease in	7, 9, 118-125
J		Offers in compromise:	
James, Eugene	22	Action completed on	13
Jencks Act	21	Cases appealed	29
Joint Committee on Internal		Decrease in, reasons for . .	40
Revenue Taxation	39, 80	Disposed of	41
		Office auditors	12
K		Officers, principal	ix-xii
Kansas City, Mo	9	Ogden, Utah	9
		Oklahoma	18
L		Old-age taxes:	
Label activity	44, 117	Collections	88-89, 104, 106
Label approval	44	Increase in	3, 4
Laboratories	47	Returns filed	9
Law Enforcement Officers Train-		Omaha	9
ing School	66, 71	Operating Facilities:	
Lawrence, Mass	9	Forms management	73
Legislative developments . . .	63	Passenger vehicles	72
Legislature enacted	63	Property management . . .	72
Letters, Determination	51	Publications, storage and	
Liquor:		distribution of	75
Code provisions for pro-		Records and correspondence	73
duction of	49	Safety awards	75
Enforcement Act of 1936 .	18	Space equipment	72
Establishments qualified to		Standardization of store-	
handle	44, 114	room supplies	72
Litigation, appeals and civil,		Ottawa	61
results of	29-33	Overassessments:	
London	61	General	36
Long-range planning	77	Review of	39
		Overpayments	36
M			
Management activities, person-		P	
nel	67-69	Palermo v. U.S	21
Management Institute program .	71	Palmer v. Bender	31

	Page		Page
Paris	61	Programs—Continued	
Parsons v. Smith	31	Executive Development	
Partnership taxes	9	Training	67
Pension trust specialists	12	Federal Merit Promotion . .	67
Personal taxes. (See Taxes, in-		Firearms	18
dividual income.)		Incentive Awards	69
Personnel:		Information	60
Audit, decrease in	12	Management Institute . .	71
Blue Ribbon program	67	Post-retirement	68
Civil Service Commission,		Regulations	48
Federal Merit Promotion		Research	78
program	67	Safety Award	75
Employee-Management rel-		Special Agent	14, 70
ations	68	Tax Examiner Training . .	71
Executive Development		Tax Return Forms	50
Training program	67, 71	Training	12, 70-72
Incentive Awards program .	69	Property Management	72
On rolls	70	Protest cases, statistics on .	26, 126, 127
Post-retirement program . .	68	Publications:	
Promotions	67	Distribution and storage of .	75
Recruitment	67, 69	Miscellaneous	58, 79-81
Retiree emblem	68	Technical:	
Selection of	67	"Farmer's Gas Tax Re-	
Statistics on	70	fund"	59
Summary of	70	"Farmer's Tax Guide" .	59
Technical	12, 13	"Federal Gas Tax Re-	
Technical Review Institute .	71	fund for Nonhighway	
Training program for	14, 70	and Transit Users" .	59
Philadelphia	9, 77	"Federal Use Tax on	
Phoenix Taxpayer Service		Highway Motor Ve-	
Branch	11	hicles"	59
Pittsburgh Taxpayer Service		"Index-Digest Supple-	
Branch	11	ment to Cumulative	
Planning and research	47, 63, 77, 78	Bulletins 1953-56" .	52
Post-audit review operations . .	12	"Tax Guide for Small	
Post-retirement program	68	Business"	58
Practitioners:		"Tax Guide for U.S.	
Applications	83	Citizens Abroad" . .	59
Disbarment	83	"Your Federal Income	
Enrollment of	83	Tax"	58
Prepayments, excessive individ-		Public Laws:	
ual income tax	37, 38	85-323	49
Printing and binding, cost of . .	134	85-507	70
Profits taxes, statistics on . . .	25-26,	85-595	64
37, 88-89, 104, 106, 126		85-840	64
Programs:		85-859	43, 44, 47, 48, 63
Advanced Agent Training .	71	85-866	48, 61, 64
Alcohol and Tobacco Tax .	15	85-920	64
Audit	12, 65	85-930	64
Blue Ribbon	11, 67	86-28	64
Civil Service, Federal Merit		86-69	64
Promotion	67	86-70	64
Evaluation	77	86-75	64

	Page
Puerto Rico	61
Taxes collected in	114
R	
Railroad retirement taxes, decrease in	3, 88-89, 104, 106
Receipt and processing of returns	9
Records and correspondence	73
Recruitment	67, 69
Refunds:	
Claims for	35, 36, 37, 38, 39
Increase in	39
Statistics on	36-39
Regions:	
Atlanta	9
Boston	9
Chicago	9
Cincinnati	9
Dallas	9
New York	9
Omaha	9
Philadelphia	9
San Francisco	9
Regulations:	
Documentary stamp tax	48
Gift tax	48
Program	48
Under IR Code, 1954	48
26 CFR, Part 285	49
26 CFR, Part 290	49
26 CFR, Part 296	49
Wagering tax	48
Renegotiation Act of 1951	63
Research program	78
Return system, alcohol and tobacco tax	75
Returns (<i>see also</i> Income taxes; taxes):	
Audit of	12-13
Changes in	10, 35, 36, 50
Corporation	9, 13, 112
Declarations of estimated tax	9, 112
Delinquent	24, 36
Employment tax	7, 9, 13, 112
Estate tax	9, 13, 112
Examined	13
Excise tax	9, 13, 112
Fiduciary tax	9, 13
Gift tax	9, 13, 112
Individual	9, 10, 13, 112
Partnership	9, 112
Processing of	7, 10, 13
Receipt of	7, 9, 112

	Page
Returns—Continued	
Special occupational	7, 9
Tobacco tax	9
Revenue Procedures	53-54
Revenue Rulings:	
58-402	53
58-453	53
58-456	53
58-479	53
58-563	53
58-583	53
58-589	54
58-608	54
59-58	54
59-102	54
59-170	54
59-184	54
Revenue Service, cost of operating	75
Rewards:	
Approved claims	19
Disallowed claims	19
Statistics on	19
To informers	19
Total payments for	19
S	
Safety	75
San Francisco	9
Security, internal	65, 66
Service Centers:	
Expansion of	9
Function of	9
Midwest	9
Northeast	9
Western	9
Settlement procedure	28
Social Security amendments	64
Stamp system, abolition of, savings effected by	43
State auditor of West Virginia	32
Statistical reporting	79-82
Statistics of income	81
Supreme Court (<i>see also</i> Courts; Appellate Division; Chief Chief Counsel, office of):	
Decisions:	
In civil cases	29, 55-56
In criminal cases	19
Of Florida	30
Supreme Court cases:	
Beck, Dave	22
Cammarano, William B., et ux. v. U.S	31

	Page
Supreme Court cases—Con.	
Colonial Chevrolet Corp. v. U.S.	33
Commissioner v. Clifton E. and Violet R. Baird . . .	32, 33
Commissioner v. Burl P. Glover.	32, 33
Commissioner v. John S. Hall and Doris D. Hall. .	30
Commissioner v. John R. and Shirley G. Hansen . .	32, 33
Commissioner v. Kilborn. .	33
Commissioner v. James E. Peurifoy	30
Commissioner v. Paul V. Stines and Betty O. Stines	30
DeLucia, Paul	21
Helvering v. Bankline Oil Co., citation of	31
Hine Pontiac Co. v. U.S. . .	33
Huss v. Smith	31
Ingram, et al. v. U.S. . . .	22
James, Eugene	22
Marine Chevrolet Co. v. U.S.	33
Palermo v. U.S.	21
Palmer v. Bender	31
Parsons v. Smith	31
Sims, Edgar B. v. U.S. . . .	32
Strauss, F. & Son, Inc. v. Commissioner	31
U.S. v. Carter	32
U.S. v. Embassy Restaurant, Inc	31
U.S. v. Hulley	30
U.S. v. Security Trust and Savings Bank	31
U.S. v. Shotwell Mfg. Co., et al	22
U.S. v. Vorreiter, citation of	31

T

Tax Court, The (<i>see also</i> Appellate Division):	
Adverse decisions	33
Cases appealed to Supreme Court	30
New settlement procedure .	28
Petitions filed with	25
Tax(es):	
Additional, increase in . . .	35-36
Alcohol . 3, 4, 90-91, 104, 106, 109	

	Page
Tax(es)—Continued	
Corporation	3,
4, 36, 88-89, 104, 106, 109	
Disability	3, 4, 88-89, 106
Employment	3,
4, 7, 36, 88-89, 104, 106, 109	
Estate	3,
4, 25, 26, 36, 90-91, 104, 106, 109	
Excess profits	28,
29, 36, 88-89, 104, 106, 109	
Excise	3, 4, 36,
90-91, 98-103, 104, 106, 107, 109	
Fiduciary	3, 36
Gift	3,
4, 36, 90-91, 104, 106, 109	
Individual	3, 4, 7,
26, 36, 88-89, 104, 106, 109	
Occupational	3, 90-91
Old-age	3,
4, 88-89, 104, 106	
Railroad retirement	3,
4, 88-89, 104, 106	
Stamp	94-95, 104, 107, 118
Tobacco	3,
4, 94-95, 104, 107, 109	
Unclassified	3,
4, 102-103, 104, 108, 109	
Unemployment insurance .	3,
4, 88-89, 104, 106	
Withholding	3, 4, 88-89
Tax liability, changes in . . .	35-41
Taxpayer assistance:	
Cost of	58
Decrease in	57
Taxpayer publications . . .	58
Taxpayer Service Branches .	11
"Tax Guide for Small Business"	58
"Tax Guide for U.S. Citizens Abroad"	59
Tax Return Forms program .	50
Tax rulings:	
Published	53
Requests for	51
Technical publications:	
Bulletin, Internal Revenue .	52
"Farmer's Gas Tax Refund"	59
"Farmer's Tax Guide" . . .	59
"Federal Gas Tax Refund for Nonhighway and Transit Users"	59
"Federal Use Tax on Highway Motor Vehicles" . .	59

	Page		Page
Technical publications—Con.		Treasury Decisions—Continued	
“Index-Digest Supplement to Cumulative Bulletins, 1953-56”	52	6316	49
“Tax Guide for Small Busi- ness”	58	6323	49
“Tax Guide for U.S. Citizens Abroad”	59	6325	49
“Your Federal Income Tax”	58	6331	49
Technical Review Institute . .	71	6334	48
Technical Services	48	6351	48
Tobacco, permits relating to . .	116	6359	49
Tobacco products, establishments qualified to produce	115	6366	49
Tobacco taxes:		6370	48
Collections . . 3, 4, 94-95, 104,	107	6381	50
New system of payment . .	43	6382	50
Training:		6391	48
Advanced agent	71	6392	50
Civil Service Commission approval	71		
Estate and gift tax agents .	12	U	
Government Employees Training Act	70	Unclassified taxes	3, 4, 102-103, 104, 108, 109
Office auditors	12	Unemployment insurance	3, 4, 88-89, 104, 106
Pension trust specialists . .	12		
Programs	70-71	V	
Revenue agents	12	Verification, mathematical .	10, 35, 36
Special agents	14	Virgin Islands	61
Technical personnel	12	Visitors, foreign	62
Treasury Decisions:			
6301	48	W	
6306	48	Washington State	31
6307	49	West Virginia	32
6315	49	Wines. (<i>See</i> Alcohol and Tobacco tax program.)	
		Withholding taxes	3, 4, 88-89
		X Y Z	
		“Your Federal Income Tax” . .	58

